



ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

Prepared by:

City of Baker Finance Department

Audited by:

Donald Ford, CPA, LLC

CITY OF BAKER, LOUISIANA

ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2024 TABLE OF CONTENTS

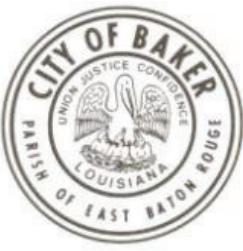
	<u>Page No.</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Mayor and City Council Members	5
List of Other Elected and Appointed Officials - City of Baker Organizational Chart.....	6
FINANCIAL SECTION	
Independent Auditor's Report.....	7
Management's Discussion and Analysis (Required Supplementary Information).....	11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities.....	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of the Governmental Funds Balance Sheet to the	
Government-wide Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds.....	25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures	
and Changes in Fund Balances to the Government-wide Statement of Activities.....	27
Statements of Net Position – Proprietary Funds.....	28
Statements of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	30
Statements of Cash Flows – Proprietary Funds	31
Notes to the Basic Financial Statements	33
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - Schedule of Revenues, Expenditures and	
Changes in Fund Balance – Budget (GAAP Basis) and Actual	65
Street Fund - Schedule of Revenues, Expenditures and	
Changes in Fund Balance – Budget (GAAP Basis) and Actual	67
City Court Fund - Schedule of Revenues, Expenditures and	
Changes in Fund Balance – Budget (GAAP Basis) and Actual	68
Schedule of Changes in Net OPEB Liability and Related Ratios.....	69

CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page No.</u>
Schedule of Proportionate Share of Net Position Liability.....	70
Schedule of Contributions to Each Retirement System	72
Notes to Proportionate Share of Net Position Liability and Schedule of Pension Contributions.....	74
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards.....	75
Notes of Schedule of Expenditures of Federal Awards.....	76
Schedule of Compensation, Benefits and Other Payments to the Agency Head.....	77
OTHER INFORMATION	
Non-Major Governmental Funds:	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	79
Schedule of Justice System Funding – Collection/Disbursing Entity.....	80
Schedule of Compensation Paid to Council Members.....	81
Independent Auditor's Report Required by Government Auditing Standards	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	82
Independent Auditor's Report Required by Uniform Guidance	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by Uniform Guidance	84
Schedule of Findings and Questioned Costs	
Section I - Schedule of Findings and Questioned Costs	87
Section II - Current Year Findings.....	88
Section III - Federal Findings	89
Section IV - Prior Year Findings	90

INTRODUCTORY SECTION



City of Baker

DEPARTMENT OF FINANCE

LETTER OF TRANSMITTAL

February 28, 2025

To the Honorable Darnell Waites, Mayor
Members of the City Council
Citizens of the City of Baker, Louisiana

The Annual Financial Report, hereinafter referred to as the AFR, for the City of Baker, LA for the fiscal year ended June 30, 2024, is submitted herein in accordance with La R.S. 24:518 requiring publication of a complete set of audited financial statements.

The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, is that of management. Management assumes this responsibility based upon a comprehensive framework of internal control that it has established for this purpose. The concept of reasonable assurance recognizes that the cost of a control should not exceed its anticipated benefit thus supporting the objective to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The data presented in this financial report is believed to be accurate in all material respects; its presentation has been designed to fairly state the financial position and results of operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable readers to gain a comprehensive understanding of the City's financial activity have been included.

Donald Ford, CPA, LLC has issued an unmodified opinion on the City of Baker, LA's financial statements for the year ended June 30, 2024. His independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The Reporting Entity and Form of Government

The City of Baker, LA (hereafter referred to as the city), nestled close to the two largest cities in Louisiana, is situated in the northwest part of East Baton Rouge Parish. It is approximately 8.4 square miles in size with a population of approximately 13,000. Within the boundaries there are

approximately 70 miles of roads maintained by the city. This report includes all funds that are controlled by or are dependent on the City.

The City was incorporated as a village in 1946 – W.H. Keyes served as the first mayor – but its name was established in 1888 recognizing the rural settlement that surrounded the post office and railroad station. Baker was a stop on the Illinois Central Railroad line connecting New Orleans with Memphis, TN. It is a progressive city that promotes harmony, invigorating activities, and many opportunities to contribute to excellence through neighborhood and community-wide involvement.

Originally governed by the provisions of the Lawrason Act, the electorate adopted a Home Rule Charter on May 16, 1970, that would become effective on July 1, 1972. The Charter provided for a mayor-council form of government. There are five council members elected by the citizens residing within their respective districts to serve a four-year term. Legislative authority is vested in the Council. The mayor, also elected for a four-year term, is responsible for the day-to-day operations of all departments of the City. An organizational chart follows that provides an overview of how all branches and departments work together.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience, and the morale of its inhabitants. To this regard, the City provides a full range of services, including (1) police and fire protection, (2) water, gas and sewer distribution services, (3) refuse collection; (4) building inspections, (5) licenses and permits, (6) construction and maintenance of streets and other infrastructure, (7) economic development, (8) full-service burials and (9) community, recreational and cultural activities. The City is also financially accountable for a legally separate court system and marshal, both of which are included in the following financial report as blended component units.

The City is required to adopt a budget for the fiscal year no later than June 15th to serve as the foundation for financial planning and control. A pay plan, operating and capital budget and a capital program are submitted by the Mayor to the Council for consideration and are adopted on a departmental level. The budget is legally enacted via passage of an ordinance by the City Council during a public hearing. Additional information regarding the budgeting process can be found in the note disclosures.

Economics and the Local Economy

The city is a suburb of Baton Rouge that serves as the seat of government within the State of Louisiana. Major industries located within or near the City's boundaries include a major airport, hospitals, construction, and manufacturing/industrial businesses. The city has rail service and its proximity to the Mississippi River and the interstate highway system provides businesses with manageable transportation costs. It is within 60 miles of five major universities and two community colleges. It is close enough to hear the tigers roar at the Greater Baton Rouge Zoo and houses acres of other parks for golf, tennis and other sporting events or just enjoying the green space. Its walking

paths include state-of-the-art outdoor exercise equipment – the Energi Total Body Fitness and the Life Trails Advanced Wellness System. These were developed to deliver a synergistic workout for ages 13 and up as well as provide a tailored program for older adults to perform daily tasks easily and independently. The Fitness Court, designed by the National Fitness Campaign, was installed in the spring of 2023, adding another dimension to fitness options. It is in the Martin Luther King Memorial Park that is utilized by hundreds daily, young and old alike!

The unemployment rate for its citizens remained relatively the same as the prior year, but both median household and homeowner income rose by 1.15% to \$64,500 and \$66,845, respectively. Whether considered a homeowner or renter, income levels of Baker's citizens are higher than federal and state averages, excepting owner-occupied that is greater on the state level and only slightly lower on the federal level. Home ownership is afforded to more than 75% of the population – resulting from emphasis on affordable housing and residential development. The average length of staying in Baker after moving here is significantly higher than the state average. This is a testament to the economic and community-oriented environment established by the City's government that continues to be an impetus for future development. More than 36% of the population is under 18 years of age, indicating a growing sector of younger families. The crime rate continues to be one of the lowest of all municipalities in Louisiana and the safest in East Baton Rouge Parish.

This Past Year

Plans for smart growth drive the city's efforts for economic and community development which includes expansion to allow for the construction of new homes, retail and industrial businesses and green space to complement both. Doing so increases the revenue sources available for the government to continue providing quality services while expanding on those services and adding others that bring quality of place and being. This philosophy has been followed for the past eight years, and the statistics discussed above evidence its success.

Construction of a new well and elevated water tank on the western border of the city was completed this past year. Together with the extended water and gas lines already in place as well as those that have been planned for FY2025, the infrastructure will be in place for expansion towards the Mississippi River. This project was funded almost entirely through a Community Development Block Grant administered through the La. Office of Community Development.

Utility distribution systems – gas, sewer, and water – continued to receive maintenance required as with any aging system to ensure its continued use. Major line replacements and extensions were started during this past year and will continue into the coming year allowing the City to focus on the quality of its utility services. The ability to expand services to areas both within and outside of the City's boundaries because of these projects provides an infrastructure that will not be unduly taxed from growth and age. Funded through the Hazard Mitigation Grant Program, all lift stations now have gas generators that have been lifted and secured as well as City Hall.

Another major component of the master plan, and of great interest to many of our residents, involves the flow of water throughout the City to avoid flooding that impacts the safety of persons and property. Federal grant funding to mitigate the hazards associated with flooding are still being utilized to address waterways and emergency preparedness. Major waterways running through the city also impact municipalities around us requiring partnering with these governments to proceed in a manner that provides positive results for all affected. This sometimes slows the process, but flooding remains always on the minds of management. Administration continues to work with parish and state agencies to expedite MovEBR that was designed to address flooding throughout the parish.

More than \$750,000 in ARPA funds were utilized to replace dated assets and upgrade technology for increased efficiency in communications, fire and police protection and infrastructure. Funding passed through from HUD CARES allowed for the replacement of the HVAC system in the Auditorium. The new system, in response to the COVID-19 pandemic, meets current requirements for indoor air quality.

There are many other accomplishments that were realized this past year, but they cannot all be mentioned here. We hope you take the opportunity to read the annual financial report – it includes other projects that are in various stages of completion that will evidence the City's efforts.

Acknowledgments

The cooperation and diligence of the Finance Department staff – Ashley Batts, Ashley Lathan, Magen Bailey and Judy Davezac – in providing information to support the financial and non-financial data required to complete this report is greatly appreciated. The Council is credited with their support for the highest standards of professionalism in the management of the city. Mayor Waites is commended for his dedication to the success of all city initiatives, utilization of the city's resources in the most effective manner and insistence on integrity and ethical reporting.

Acknowledgement is also given to our auditors – Donald Ford, CPA, LLC – for the professional and diligent way he conducted his audit.

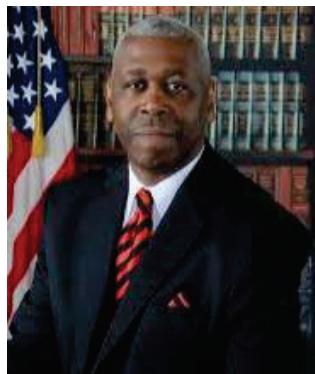
Respectfully Submitted,



Mary Sue Stages, CPA
Finance Director

**CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024**

MAYOR AND CITY COUNCIL MEMBERS



Mayor Darnell Waites



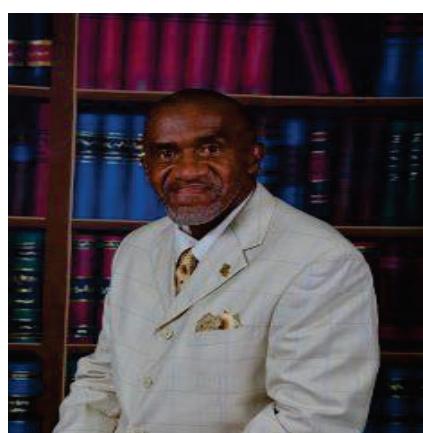
District 1
Dr. Charles Vincent



District 2
Rochelle Dunn



District 3
Desiree Collins



District 4
Robert Young



District 5
Cedric Murphy

CITY OF BAKER, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

OTHER ELECTED AND APPOINTED OFFICIALS
ORGANIZATIONAL CHART

Other Elected Officials

City Court Judge
Chief of Police

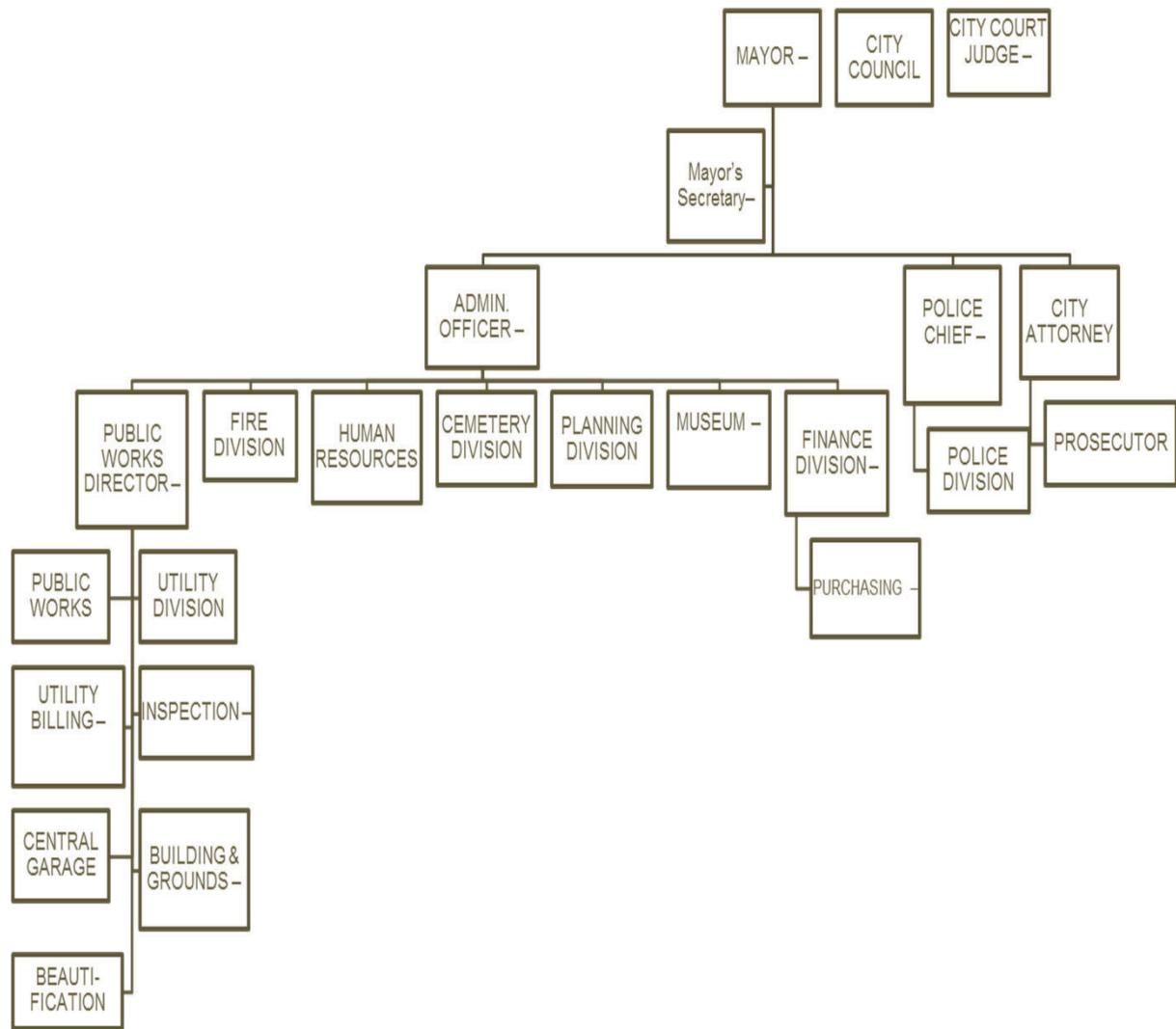
Kirk Williams
Carl Dunn

Appointed Officials

City Attorney
Chief Administrative Officer

Ken Fabre
Dr. Angela Machen

Organizational Chart



FINANCIAL SECTION



DONALD R. FORD

CERTIFIED PUBLIC ACCOUNTANT
A LIMITED LIABILITY COMPANY
MEMBER

AMERICAN INSTITUTE OF CPAS
SOCIETY OF LOUISIANA CPAS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Darnell Waites, Mayor
Members of the City Council
Citizens of the City of Baker
City of Baker, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Baker, Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Baker, Louisiana's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Baker, Louisiana, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Baker, Louisiana and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

P.O. Box 293
ZACHARY, LA 70791
(225) 573-8005
donald@donaldfordcpa.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Baker, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Baker, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Baker, Louisiana's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 10-18, analysis and budgetary comparison information on pages 62-64, the required OPEB information on page 65, the required pension information on page 66-68 to be presented to supplement the basic financial statements. Such information is the responsibility of management and,

although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Baker, Louisiana's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the combining and individual nonmajor fund financial statements, the schedule of compensation, benefits, and other payments to the agency head, and the schedule of justice system funding – collection/disbursing entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards, the combining and individual nonmajor fund financial statements, the schedule of compensation, benefits, and other payments to the agency head, and the schedule of justice system funding – collection/disbursing entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of compensation, benefits, and other payments to council members, but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated April 1, 2025, on my consideration of the City of Baker, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Baker, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Baker, Louisiana's internal control over financial reporting and compliance.



Zachary, Louisiana

April 1, 2025

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting change and currently known facts. Our analysis provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider this overview and analysis in conjunction with the basic financial statements and notes that follow.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the City's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by \$22.3 million (net position). Of this amount, unrestricted net position is currently in a deficit of \$14.3 million which can be attributed to net pension liability and related deferred outflows/inflows of resources (\$9.5 million) and other post-employment benefits obligation and related deferred outflows/inflows (\$6.4 million).
- The primary government's total net position increased by \$1.02 million.
- Governmental activities' net position increased by \$4.4 million. Business-type activities' net position decreased by \$3.4 million.
- The City utilized \$6.72 million of its financial resources on capital additions including, but not all-inclusive, equipment and fleet (\$1.35 million) and infrastructure (\$5.21 million).
- The City realized \$1.55 million in grants and other contributions used primarily for infrastructure such as building renovations and utility water and gas distribution systems.

USING THIS ANNUAL REPORT

Under Accounting Standards Board Statement No. 34, a government presentation of financial statements focuses on both the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and should enhance the City's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 19 - 21 and referred to as government-wide financial statements) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 22. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Our auditors have provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the required supplementary information and the other supplementary information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consolidate the governmental funds (governmental activities) and proprietary funds (business-type activities) into a total for the primary government. They use the accrual basis of accounting, which is like accounting methods used by most private-sector companies. Revenues and expenses are reported regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods. The two kinds of activities reported in the government-wide statements are described below followed by an analysis of net position and changes thereto.

Governmental activities - Most of the City's basic services are reported here, including public safety, streets and sanitation, culture and recreation, economic development, and general administration. Sales, franchise and property taxes, charges for services including sanitation finance most of these activities.

Business-type activities - The City charges a fee to customers to help it cover the cost of certain services it provides. In addition to a cemetery, the City operates gas, water and sewer distribution systems which are reported herein.

Condensed Statement of Net Position
June 30, 2024 and 2023
(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 15,789	\$ 11,618	\$ 5,255	\$ 14,173	\$ 21,044	\$ 25,791
Capital assets	<u>19,338</u>	<u>16,150</u>	<u>15,170</u>	<u>8,273</u>	<u>34,508</u>	<u>24,423</u>
Total assets	35,127	27,768	20,425	22,446	55,552	50,214
Deferred outflows of resources	3,088	6,084	308	255	3,396	6,339
Current and other liabilities	12,168	4,318	3,449	3,357	15,617	7,675
Long-term liabilities	<u>10,929</u>	<u>16,861</u>	<u>7,924</u>	<u>7,776</u>	<u>18,853</u>	<u>24,637</u>
Total liabilities	23,097	21,179	11,373	11,133	34,470	32,312
Deferred inflows of resources	<u>1,975</u>	<u>5,958</u>	<u>207</u>	<u>365</u>	<u>2,182</u>	<u>6,323</u>
Net Position:						
Net investment in capital assets	18,273	14,642	9,195	8,273	27,468	22,915
Restricted	8,679	14,623	478	5,988	9,157	20,611
Unrestricted	<u>(13,809)</u>	<u>(22,550)</u>	<u>(520)</u>	<u>(3,058)</u>	<u>(14,329)</u>	<u>(25,608)</u>
Total net position	<u>\$ 13,143</u>	<u>\$ 6,715</u>	<u>\$ 9,153</u>	<u>\$ 11,203</u>	<u>\$ 22,296</u>	<u>\$ 17,918</u>

On June 30, 2024, the City's net position was \$22.3 million. Restricted net position totaling \$9.2 million is reported separately to show legal constraints from debt covenants and enabling legislation that limits the ability to use that net position for day-to-day operations. Another \$27.5 million is invested in infrastructure and other capital assets. Unrestricted net position represents that portion of resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

Changes in Net Position

Years ended June 30, 2024 and 2023

(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 2,124	\$ 2,423	\$ 4,486	\$ 4,843	\$ 6,610	\$ 7,266
Operating grants	26	2,670	-	-	26	2,670
Capital grants	1,520	124	-	802	1,520	926
General revenues:						
Ad valorem taxes	471	466	-	-	471	457
Sales taxes	9,001	8,528	-	-	9,001	8,528
Franchise taxes	726	755	-	-	726	755
Other taxes	278	739	-	-	278	739
Other general revenues/transfers	<u>5,696</u>	<u>1,693</u>	<u>(3,760)</u>	<u>(681)</u>	<u>1,936</u>	<u>1,012</u>
Total revenues	<u>19,842</u>	<u>17,398</u>	<u>726</u>	<u>4,964</u>	<u>20,568</u>	<u>22,362</u>
Functions/program:						
General government	2,710	2,887	-	-	2,710	2,887
Public safety	8,557	8,448	-	-	8,557	8,448
Public works	3,547	5,088	-	-	3,547	5,088
Economic/recreational	646	629	-	-	646	629
Utilities	-	-	3,723	3,122	3,723	3,122
Cemetery	-	-	315	431	315	431
Sewer revenue	<u>-</u>	<u>-</u>	<u>53</u>	<u>45</u>	<u>53</u>	<u>45</u>
Total expenses	<u>15,460</u>	<u>17,052</u>	<u>4,091</u>	<u>3,598</u>	<u>19,551</u>	<u>20,650</u>
Change in Net Position	<u>\$ 4,382</u>	<u>\$ 346</u>	<u>\$ (3,365)</u>	<u>\$ 1,366</u>	<u>\$ 1,017</u>	<u>\$ 1,712</u>

Governmental activities realized an increase in revenues over expenditures of \$4.4 million, which was a greater increase than the prior year. The increase in revenues was met with decreased expenditures, primarily due to a focus on grant and other outside revenue sources to fund infrastructure and public safety projects.

Business-type activities realized a decrease of \$3.40 million in net position. This was due to the use of current resources to fund the completion of the water well project. These funds are currently held in trust but were transferred during the subsequent months.

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is on major funds, rather than generic fund types.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

An analysis of the City's major funds begins on page 22 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole. The General fund is always considered a major fund. Special revenue funds are required to be established by state law or by bond covenants. Of the City's special revenue funds, both the Street and City Court Funds are considered major. All non-major governmental funds are presented in one column, titled other non-major governmental funds. Combining financial statements of these funds can be found in the combining financial statements section of this report following required supplementary information. The general and special revenue funds are referred to as governmental funds.

The other type of funds maintained by the City are referred to as proprietary funds including Utility, Cemetery and Sewer Revenue. Each is presented separately as significant funds.

Governmental funds - Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in these types of funds. The modified accrual basis of accounting is utilized which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent soon to finance the City's programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds can be seen in the reconciliation to the financial statements (pages 23 and 26).

Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (Utility, Cemetery and City-Parish Sewer Funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These statements begin on page 27.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and begin on page 32.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the City's major governmental funds and schedules required by GASB 68. This information is located directly after the notes on the basic financial statements.

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The government operations of the City are accounted for in the General, Street, Court, and Other Non-Major Governmental Funds. The focus of this fund information, as noted earlier, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The following is a summary of general governmental operations for 2024 by fund type (in thousands):

	General Fund	Street Fund	City Court Fund	Other Non-Major Funds	Total
Revenues and other financing sources	\$ 16,752	\$ 1,985	\$ 181	\$ 1,508	\$ 20,983
Expenditures and other financing uses	(15,598)	(333)	(185)	(1,714)	(18,386)
Net Change	1,154	1,652	(4)	(206)	2,597
Fund Balances, beginning	(1,785)	6,125	1,410	1,132	6,882
Fund Balances, ending	<u>\$ (631)</u>	<u>\$ 7,777</u>	<u>\$ 1,406</u>	<u>\$ 926</u>	<u>\$ 9,479</u>

The City's governmental funds experienced an increase in fund balances of \$2.6 million during the fiscal year ended June 30, 2024, bringing total combined fund balances to \$9.5 million at year-end. This includes \$72 thousand, considered non-spendable as it has been utilized for assets that will be utilized in a future period. Restricted assets include \$8.8 million for streets and public safety/court. The court system committed assets of \$521 thousand for expansion while the remaining fund balances are assigned for court operations.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balances had increased by \$1.2 million representing primarily a reallocation of liquid assets between governmental and proprietary funds.

The Street Fund, for which revenues are restricted by law to be utilized for street maintenance, construction, and beautification, experienced an increase in fund balances of \$1.7 million leaving a fund balance of \$7.8 million at year-end. The 2024 Rehabilitation Program had not started as of June 30, 2024, but this increase is expected to be utilized in the summer of 2025.

The City Court Fund reports on the operations of the court system managed by the judge. It experienced a decrease in fund balances of \$4 thousand resulting in an ending fund balance of \$1.4 million.

All other governmental funds realized revenues of \$1.7 million and expenditures/transfers of \$1.4 million resulting in an increase of \$347,065. Non-major funds include ½ Cent Special Tax – Fire & Police, 911 Communications and Marshal/Police Operations. Information regarding each of these funds can be found in the combining statements later in this report.

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

Sources of governmental revenues, excluding transfers, are summarized below (in thousands).

Source of Revenue:	2024		2023	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 10,476	66%	\$ 10,054	58%
Intergovernmental	64	0%	72	0%
Licenses and permits	539	3%	502	2%
Charges for services	1,633	10%	1,566	9%
Fines	426	3%	775	4%
Other	2,905	18%	4,465	27%
Total	\$ 16,043	100%	\$ 17,434	100%

Revenues of general governmental fund types decreased by \$1.4 million over the prior year or 8.0%. This is due in part to the last of the funding provided by the CARES Act through its American Rescue Plan in the prior year. The City's activities, in the absence of grant funding, are largely supported by tax revenues of which sales, franchise and property are the most significant. Residential and commercial developments over the past few years have increased revenues through licenses, permits and utility services. Expansion of and upgrades to utility services for both water and gas will continue to improve services and provide additional revenues in the coming years.

Use of governmental revenues by major function are summarized below (in thousands):

	2024		2023	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 2,608	15%	\$ 2,554	15%
Public safety	8,522	50%	7,527	44%
Public works	3,165	18%	4,544	25%
Economic/recreation	628	4%	624	4%
Debt service – capital leases	273	1%	329	2%
Capital outlay	2,048	12%	1,698	10%
Total	\$ 17,244	100%	\$ 17,276	100%

Expenditures of the primary government were relatively the same, decreasing by \$32 thousand. Public safety continues to be the most significant cost center. It is this commitment that brings the title of 'safest city' to Baker. Expenditures occurring in the prior year came from ARPA funding which allowed for many projects to be initiated and needed replacements of equipment to come to fruition. State of the art technological mediums to allow public participation in meetings and events without a physical presence were designed and completed in the current year.

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

During the current year, the City's governmental funds' budgeted amounts were not amended but there were movements within the budget units of budgeted expenditures to reallocate resources to areas of greater need to avoid the use of prior year fund balances to cover the costs of current year operations. The capital plan and associated budget is created as a priority listing of projects that are not implemented if the anticipated revenues are not realized.

The General Fund, except for operating transfers, realized \$662,980 less in revenues and expenditures were over budgeted amounts by \$629,848. The three most significant differences were (1) garbage fees, (2) grant proceeds and (3) shortfalls on traffic tickets processed. When revenues fall short, certain capital projects are pushed back in the capital program schedule. Public safety took a positive turn in that expenditures were \$104,778 less than anticipated. Emphasis on youth activities and green space that enhances quality of being and place created an over budget situation for economic/recreational development of \$153,835. Operating transfers from proprietary funds made up for these shortfalls.

The Street Fund realized \$247,060 less than budgeted revenues while expenditures were \$1.2 million less.

The City Court Fund reported \$16,771 more than budgeted revenues and \$1,016 less in expenditures. Changes to budgeted amounts are at the judge's discretion.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City had \$24.4 million invested in a broad range of capital assets, including vehicles, fire equipment, technological equipment, office furniture, land, buildings, park facilities, infrastructure such as roads and waterways, roads and sewer, water, and gas distribution systems. This amount represents an increase of \$1.9 million in overall capital investment balances of the prior year. The most significant additions include more than \$1.1 million in street overlay, some of which were taken to the base and rebuilt. The remaining change includes additions/major improvements to the City's utility systems and drainage.

The following is a summary of governmental and business-type capital assets for the past two years (in thousands).

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,334	\$ 1,334	\$ 376	\$ 374	\$ 1,708	\$ 1,708
Buildings/improvements	4,411	3,425	63	56	4,222	3,481
Equipment and vehicles	4,342	3,327	317	101	3,659	3,428
Utility systems	-	-	14,414	7,743	10,345	7,743
Infrastructure	9,250	8,064	-	-	9,513	8,064
Total assets net of depreciation	<u>\$ 19,337</u>	<u>\$ 16,150</u>	<u>\$ 15,170</u>	<u>\$ 8,274</u>	<u>\$ 29,447</u>	<u>\$ 24,424</u>

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

Debt

At year-end, the City had \$24.65 million in bonds and other long-term obligations versus \$29.2 million last year, a decrease of \$49 thousand, as shown below (in thousands).

	Governmental Activities			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
	\$ 3,888	\$ 341	\$ -	\$ 4,229
Net post-employment benefits	773	-	139	634
Compensated absences	10,362	453	-	10,815
Net pension liability	1,290	60	-	1,350
Capital and other leases	75	-	-	75
Claims and judgements	\$ 16,388	\$ 854	\$ 139	\$ 17,103
Total				

	Business-Type Activities			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
	\$ 993	\$ 41	\$ -	\$ 1,034
Net post-employment benefits	33	8	-	41
Compensated absences	590	474	-	1,064
Net pension liability	6,160	-	375	5,785
Bonds payable	\$ 7,776	\$ 523	\$ 375	\$ 7,924
Total				

The City remained current on all bonds and notes outstanding during the year ended June 30, 2024.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials continue to place emphasis on economic development to bring both business and homes as these increase its sales, property and franchise tax base, the largest sources of income that supports general government operations. New subdivisions completed and in progress have provided affordable housing, which is another area of emphasis along with green space and recreational facilities.

A safe environment that allows families to enjoy activities has been the impetus for bike and walking paths as well as fitness trails, both completed and in planning. Partnerships have been established that will bring affordable housing, community gardens and recreational facilities. It is these things, for a better mind and spirit, that drives the City's planning for the future.

CITY OF BAKER, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2024

Next year's budgets include continued emphasis on public safety to ensure a safe environment as well as retaining infrastructure to improve the landscape for building and quality of space.

In addition to building a strong and consistent sales tax base through commercial and industrial expansion, the City's vision includes residential development through affordable housing, annexation and community-building events and facilities.

Revenues and other financial sources for the general fund are budgeted at more than \$18 million, with operating expenditure anticipated to be less at \$17 million. The capital budget is expected to include approximately \$11 million including the capital program consisting of projects to be completed over the next four years. These amounts assume that all projects included in the City's strategic plan will come to fruition, but new endeavors will not be implemented without careful consideration of the City's financial health and stability at the time of anticipated implementation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report, need additional financial information or wish to discuss the report, contact Mary Sue Stages, CPA with the City's Finance Department at (225) 778-1751, 3325 Groom Road, Baker Louisiana, 70714, mstages@cityofbakerla.com. Additional information about the city, including current and prior years' budgets and audited financials, can be found on the City's website – www.cityofbakerla.com.

BASIC FINANCIAL STATEMENTS

Government-Wide

CITY OF BAKER, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 7,502,513	\$ 447,251	\$ 7,949,764
Inventory and prepaid expenses	71,672	210,352	282,024
Receivables:			
Accounts, net	782,773	652,692	1,435,465
Grants and other contributions	1,957,540	-	1,957,540
Taxes	783,769	-	783,769
Interest	603	-	603
Leases	41,107	-	41,107
Due from other funds	1,799,991	3,296,456	5,096,447
Due from other govt agencies	-	149,834	149,834
Non-Current Assets:			
Investments	1,158,026	19,509	1,177,535
Right to use leased assets, net of amortization	275,642	-	275,642
Restricted Assets:			
Cash and cash equivalents	752,347	66,687	819,034
Investments	138,221	411,911	550,132
Receivables - taxes	524,994	-	524,994
Capital Assets:			
Non-depreciable	1,333,897	376,272	1,710,169
Construction in progress	-	6,654,274	6,654,274
Depreciable, net	18,003,700	8,139,482	26,143,182
	Total Assets	35,126,797	20,424,720
			55,551,517
DEFERRED OUTFLOW OF RESOURCES			
Related to other post-employment benefits	350,718	39,217	389,935
Related to pension liabilities	2,737,208	269,567	3,006,775
	Total Deferred Outflows of Resources	3,087,926	308,784
			3,396,710
	Total Assets and Deferred Outflows of Resources	38,214,723	20,733,504
			58,948,227
LIABILITIES			
Current Liabilities:			
Accounts payable	367,794	13,865	381,659
Accrued liabilities	223,236	293,205	516,441

Continued

CITY OF BAKER, LOUISIANA
STATEMENTS OF NET POSITION (Continued)
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Due to other funds	\$ 5,096,447	\$ -	\$ 5,096,447
Unearned revenue	5,100	1,357,454	1,362,554
Bonds held for future disposition	38,827	-	38,827
Due to litigants	261,943	-	261,943
Customer utility deposits	-	1,124,634	1,124,634
Lease payable, current portion	1,064,394	-	1,064,394
Right to use leased assets liability, current portion	110,490	-	110,490
Bonds payable, current portion	-	190,000	190,000
Due to other govt agencies	-	470,352	470,352
Non-Current Liabilities:			
Right to use leased assets liability, less current portions	175,306	-	175,306
Bonds payable, less current portions	-	5,785,000	5,785,000
Compensated absences	633,772	40,649	674,421
Other post employment benefits	4,229,333	1,033,804	5,263,137
Claims reserve	75,000	-	75,000
Net pension liabilities	<u>10,815,427</u>	<u>1,064,242</u>	<u>11,879,669</u>
Total Liabilities	<u>23,097,070</u>	<u>11,373,205</u>	<u>34,470,275</u>
DEFERRED INFLOWS OF RESOURCES			
Related to leases	41,107	-	41,107
Related to other post-employment benefits	1,344,650	149,406	1,494,056
Related to pension liabilities	<u>589,175</u>	<u>58,023</u>	<u>647,198</u>
Total Deferred Inflows of Resources	<u>1,974,932</u>	<u>207,429</u>	<u>2,182,361</u>
Total Liabilities and Deferred Inflows of Resources	<u>25,072,002</u>	<u>11,580,634</u>	<u>36,652,636</u>
NET POSITION			
Investment in capital assets, net of related debt	18,273,203	9,195,028	27,468,232
Restricted	8,679,027	478,598	9,157,625
Unrestricted	<u>(13,809,509)</u>	<u>(520,756)</u>	<u>(14,330,265)</u>
TOTAL NET POSITION	<u>\$ 13,142,721</u>	<u>\$ 9,152,870</u>	<u>\$ 22,295,592</u>

The accompanying notes are an integral part of the basic financial statement.

CITY OF BAKER, LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Primary	Program Revenues				Net Revenues (Expenses) and Changes in Net Position		
		Government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:								
Intergovernmental		\$ 64,468	\$ 64,468	\$ -	\$ -	\$ -	\$ -	\$ -
General government		2,645,754	1,319,685	53	1,314,829	(11,187)	-	(11,187)
Public safety		8,557,033	720,840	10,044	205,080	(7,621,069)	-	(7,621,069)
Public works		3,547,329	18,630	-	-	(3,528,699)	-	(3,528,699)
Economic/recreational development		646,035	-	16,087	-	(629,948)	-	(629,948)
Total Governmental Activities		15,460,619	2,123,623	26,184	1,519,909	(11,790,902)	-	(11,790,903)
Business-Type Activities:								
Enterprise - Utilities		3,723,232	4,094,289	-	-	-	371,057	371,057
Enterprise - Cemetery		315,250	310,905	-	-	-	(4,345)	(4,345)
Enterprise - City Parish Sewer		53,358	80,854	-	-	-	27,496	27,496
Total Business-Type Activities		4,091,839	4,486,047	-	-	-	394,208	394,208
Total Primary Government								
General Revenues and Transfers								
Taxes:								
Sales					9,001,044	-	9,001,044	
Other					1,474,643	-	1,474,643	
Licenses and permits					539,094	-	539,094	
Interest earned					118,452	188,095	306,547	
Other revenues					1,196,605	-	1,196,605	
Interest and bond admin fees					-	(148,800)	(148,800)	
Net gain/loss on capital asset disposal					43,614	-	43,614	
Transfers, net					3,798,737	(3,798,737)	-	
					16,172,189	(3,759,442)	12,412,747	
Change in Net Position					4,381,287	(3,365,234)	1,016,052	
Net Position, beginning of year					8,761,434	12,518,104	21,279,538	
Net Position, end of year					13,142,721	9,152,870	22,295,590	

The accompanying notes are an integral part of the basic financial statement.

BASIC FINANCIAL STATEMENTS

Fund

CITY OF BAKER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Funds		Other Non-Major Governmental Funds	Total Governmental Funds
		Street Fund	City Court Fund		
ASSETS					
Cash and cash equivalents	\$ 324,557	\$ 5,521,527	\$ 1,631,511	\$ 24,918	\$ 7,502,513
Inventory and prepaid expenses	71,672	-	-	-	71,672
Receivables:					
Accounts, net	782,773	-	-	-	782,773
Grants and other contributions	1,957,540	-	-	-	1,957,540
Taxes	783,769	-	-	-	783,769
Interest	603	-	-	-	603
Due from other funds	-	1,799,991	-	-	1,799,991
Investments	1,035,762	-	122,264	-	1,158,026
Restricted Assets:					
Cash and cash equivalents	-	-	-	752,347	752,347
Investments	-	138,221	-	-	138,221
Receivables - taxes	-	317,675	-	207,319	524,994
 Total Assets	<u>\$ 4,956,678</u>	<u>\$ 7,777,414</u>	<u>\$ 1,753,775</u>	<u>\$ 984,584</u>	<u>\$ 15,472,451</u>
LIABILITIES					
Accounts payable	\$ 320,870	\$ -	\$ 216	\$ 46,708	\$ 367,794
Accrued liabilities	165,686		46,205	11,346	223,236
Due to other funds	5,096,447	-	-	-	5,096,447
Deferred revenues	5,100	-	-	-	5,100
Bonds held for future disposition	-		38,827	-	38,827
Due to litigants	-	-	261,943	-	261,943
 Total Liabilities	<u>5,588,103</u>	<u>-</u>	<u>347,191</u>	<u>58,054</u>	<u>5,993,348</u>
FUND BALANCES					
Non-spendable	71,672	-	-	-	71,672
Restricted	-	7,777,414	-	901,613	8,679,027
Committed	-	-	-	-	-
Assigned	-	-	536,331	24,917	561,248
Unassigned	(703,098)	-	870,253	-	167,156
 Total Fund Balances	<u>(631,426)</u>	<u>7,777,414</u>	<u>1,406,584</u>	<u>926,530</u>	<u>9,479,103</u>
 Total Liabilities and Fund Balances	<u>\$ 4,956,677</u>	<u>\$ 7,777,414</u>	<u>\$ 1,753,775</u>	<u>\$ 984,584</u>	<u>\$ 15,472,451</u>

The accompanying notes are an integral part of the basic financial statement.

CITY OF BAKER, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances - Governmental Funds \$ 9,479,103

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Leases extending beyond year-end for governmental assets are not financial resources and, therefore, not reported in governmental funds

	Lease receivable	41,107
	Deferred inflows of resources, related to leases	<u>(41,107)</u>

Right to use leased assets used in governmental activities are not financial resources and, therefore, not reported in governmental funds

	Cost of leased assets, net of accumulated amortization	275,642
	Long-term debt issued for lease liabilities, net of principal payments	<u>(285,796)</u>

Capital assets used in governmental activities are not financial resources and, therefore, not reported in governmental funds

	Capital assets, net of accumulated depreciation	19,337,597
--	---	------------

Capital leases allow for the acquisition of fixed assets over a long-term period requiring the use of current financial resources for only the current year's lease payment. The remaining principal balance is not due and payable until a future date and, therefore, not reported on the fund level.

	Principal balance of capital lease	(1,064,394)
--	------------------------------------	-------------

Long-term liabilities are not due and payable from current financial resources and are, therefore, not reported in the governmental funds balance sheet:

	Deferred outflows related to post employment benefits	350,718
	Deferred outflows related to pension liability	2,737,208
	Compensated absences payable	(633,772)
	Other post employment benefit obligation	(4,229,333)
	Claims reserve	(75,000)
	Net pension liabilities	(10,815,427)
	Deferred inflows related to post employment benefits	(1,344,650)
	Deferred inflows related to pension liability	<u>(589,175)</u>
		<u>(14,599,431)</u>
	Net Position of Governmental Activities	\$ <u>13,142,721</u>

The accompanying notes are an integral part of the basic financial statement.

CITY OF BAKER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Funds		Community Development Funds	Other Non-Major Governmental Funds	Total Governmental Funds
		Street Fund	City Court Fund			
REVENUES						
Intergovernmental	\$ 64,468	\$ -	\$ -	\$ -	\$ -	\$ 64,468
Taxes:						
Sales	5,674,149	2,055,455	-	-	1,271,440	9,001,044
Franchise	726,466	-	-	-	-	726,466
Property	471,446	-	-	-	-	471,446
Hotel/Motel	69,094	-	-	-	-	69,094
Other	207,637	-	-	-	-	207,637
Charges for services	1,434,914	-	24,854	-	172,975	1,632,743
License and permits	539,094	-	-	-	-	539,094
Fines and forfeitures	224,712	-	153,468	-	48,232	426,412
Grants and other contributions	978,355	-	-	556,815	10,923	1,546,093
Investment income, net	182,349	(70,515)	2,259	-	4,509	118,601
Other revenues	<u>898,470</u>	<u>-</u>	<u>690</u>	<u>-</u>	<u>-</u>	<u>899,160</u>
Total Revenues	11,471,154	1,984,940	181,271	556,815	1,508,079	15,702,259
EXPENDITURES						
Current Function:						
General government	2,043,438	-	-	556,815	8,111	2,608,364
Public safety	7,790,172	-	184,984	-	547,110	8,522,266
Public works	2,993,098	172,179	-	-	-	3,165,277
Economic/recreational	610,985	-	-	-	17,303	628,288
Debt Service:						
Principal	225,727	-	-	-	-	225,727
Interest	47,211	-	-	-	-	47,211
Capital outlay	<u>1,887,035</u>	<u>160,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,047,852</u>
Total Expenditures	<u>15,597,665</u>	<u>332,996</u>	<u>184,984</u>	<u>556,815</u>	<u>572,524</u>	<u>17,244,984</u>
Excess (Deficiency) of Revenues over Expenditures	(4,126,511)	1,651,944	(3,713)	-	935,555	(1,542,725)

Continued

CITY OF BAKER, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			Office of		Other		Total
	General Fund	Street Fund	City Court Fund	Community Development Funds	Non-Major Governmental Funds	Other Governmental Funds	Total Governmental Funds	
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of assets	\$ 43,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,614	
Proceeds from recoveries	297,445	-	-				297,445	
Transfers, net	<u>4,939,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,141,262)</u>	<u>3,798,737</u>	
Net Other Financing Sources (Uses)	<u>5,281,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,141,262)</u>	<u>4,139,796</u>	
Net Change in Fund Balances	1,154,547	1,651,944	(3,713)	-	(205,707)		2,597,071	
FUND BALANCES								
Balance, beginning of year	<u>(1,785,972)</u>	<u>6,125,470</u>	<u>1,410,297</u>	<u>-</u>	<u>1,132,237</u>	<u>-</u>	<u>6,882,032</u>	
Balance, end of year	<u>\$ (631,425)</u>	<u>\$ 7,777,414</u>	<u>\$ 1,406,584</u>	<u>\$ -</u>	<u>\$ 926,530</u>	<u>\$ -</u>	<u>\$ 9,479,103</u>	

The accompanying notes are an integral part of the basic financial statement.

CITY OF BAKER, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 2,597,071

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Certain long-term assets are not recognized at the fund level because they do not represent a current financial resource. Revenues at the government-wide level are realized when these assets become measurable, while revenues are realized at the fund level when cash is received. The amounts below include the net change in long-term assets and related inflows.

	Lease receivable	(17,801)
	Deferred inflows of resources, related to leases	<u>17,651</u>

Governmental funds report operating leases as expenditures. However, in the statement of activities, the lease is recognized as a non-current asset and amortized over the lease term. This is the amount of amortization charged: (109,104)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period.

	Capital outlay	2,047,852
	Depreciation	<u>(1,243,114)</u>

Certain long-term liabilities are not recognized at the fund level because they do not represent a claim on current financial resources. Expenses at the government-wide level are recognized when these liabilities are incurred, while expenditures are recognized at the fund level when cash payments are made. The amounts below include the net change in long-term liabilities.

	Lease payable	332,610
	Right to use leased liability	-
	Compensated absences	98,405
Other post-employment benefits and related outflows/inflows of resources	(225,689)	<u>883,406</u>
Net pension liability and related outflows/inflows of resources	883,406	<u>1,088,732</u>
Change in Net Position of Governmental Activities	\$ 4,381,287	

The accompanying notes are an integral part of the basic financial statement.

CITY OF BAKER, LOUISIANA
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Utility	Cemetery	City Sewer Revenue	Parish Revenue	Total Proprietary Funds
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 62,438	\$ -	\$ 384,813	\$ 447,251	
Inventory and prepaid expenses	9,323	200,121	908	210,352	
Accounts receivable, net	376,897	104,929	-	481,826	
Unbilled receivables	170,866	-	-	170,866	
Due from other funds	3,296,456	-	-	3,296,456	
Due from other govt agencies	136,047	-	13,787	149,834	
Total Current Assets	4,052,027	305,050	399,508	4,756,585	
Non-Current Assets:					
Investments	19,509	-	-	19,509	
Restricted Assets:					
Cash and cash equivalents	-	66,687	-	66,687	
Investments	-	411,911	-	411,911	
Total Restricted Assets	-	478,598	-	478,598	
Capital Assets:					
Non-depreciable	246,272	130,000	-	376,272	
Construction in progress	6,654,274	-	-	6,654,274	
Depreciable, net	8,079,138	60,344	-	8,139,482	
Net Capital Assets	14,979,684	190,344	-	15,170,028	
Total Assets	19,051,220	973,992	399,508	20,424,720	
DEFERRED OUTFLOW OF RESOURCES					
Related to other post-employment benefits	33,579	5,638	-	39,217	
Related to pension liabilities	227,645	41,922	-	269,567	
Total Deferred Outflows of Resources	261,224	47,560	-	308,784	

Continued

CITY OF BAKER, LOUISIANA
STATEMENTS OF NET POSITION (Continued)
PROPRIETARY FUNDS
JUNE 30, 2024

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 390	\$ 13,475	\$ -	\$ 13,865
Accrued liabilities	289,175	4,030	-	293,205
Unearned revenue	38,181	1,319,273	-	1,357,454
Customer utility deposits	1,124,634	-	-	1,124,634
Bonds payable, current portion	190,000	-	-	190,000
Due to other govt agencies	<u>15,558</u>	<u>-</u>	<u>454,794</u>	<u>470,352</u>
Total Current Liabilities	1,657,938	1,336,778	454,794	3,449,510
Non-Current Liabilities:				
Compensated absences	37,367	3,038	244	40,649
Bonds payable	5,785,000	-	-	5,785,000
Other post-employment benefit	838,009	140,691	55,104	1,033,804
Net pension liabilities	<u>898,737</u>	<u>165,505</u>	<u>-</u>	<u>1,064,242</u>
Total Non-Current Liabilities	<u>7,559,113</u>	<u>309,234</u>	<u>55,348</u>	<u>7,923,695</u>
Total Liabilities	9,217,051	1,646,012	510,142	11,373,205
DEFERRED INFLOWS OF RESOURCES				
Related to other post-employment benefits	127,928	21,478	-	149,406
Related to pension liabilities	<u>49,000</u>	<u>9,023</u>	<u>-</u>	<u>58,023</u>
Total Deferred Inflows of Resources	<u>176,928</u>	<u>30,501</u>	<u>-</u>	<u>207,429</u>
NET POSITION				
Investment in capital assets, net of related debt	9,004,684	190,344	-	9,195,028
Restricted	-	478,598	-	478,598
Unrestricted	<u>913,779</u>	<u>(1,323,902)</u>	<u>(110,633)</u>	<u>(520,756)</u>
TOTAL NET POSITION	<u>\$ 9,918,463</u>	<u>\$ (654,960)</u>	<u>\$ (110,633)</u>	<u>\$ 9,152,870</u>

The accompanying notes are an integral part of the basic financial statement.

CITY OF BAKER, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
OPERATING REVENUES				
Charges for Services:				
Water	\$ 1,198,843	\$ -	\$ -	\$ 1,198,843
Natural gas	1,726,185	-	-	1,726,185
Sewer	854,033	-	80,854	934,887
Late/reconnection fees	259,862	-	-	259,862
Sales	-	305,105	-	305,105
Other operating revenues	<u>55,366</u>	<u>5,800</u>	<u>-</u>	<u>61,165</u>
	Total Operating Revenues	4,094,289	310,905	80,854
	4,486,047			
OPERATING EXPENSES				
Cost of sales	893,056	195,134	12,000	1,100,190
Contractual services	270,971	5,650	1,000	277,621
Depreciation	413,980	5,073	-	419,053
Payroll and related expenses	973,791	56,484	18,246	1,048,521
Repairs and maintenance	6,786	17,801	-	24,586
Bad debt	352,465	-	-	352,465
Other operating expenses	<u>812,184</u>	<u>35,108</u>	<u>22,112</u>	<u>869,404</u>
	Total Operating Expenses	3,723,232	315,250	53,358
	371,057	(4,345)	27,496	394,208
NON-OPERATING REVENUES (EXPENSES)				
Investment income, net	176,301	11,794	-	188,094
Interest expense	(129,650)	-	-	(129,650)
Bond administration fees	(19,150)	-	-	(19,150)
Transfers, net	<u>(3,668,737)</u>	<u>-</u>	<u>(130,000)</u>	<u>(3,798,737)</u>
	Net Non-Operating Revenues (Expenses)	(3,641,236)	11,794	(130,000)
	(3,759,442)			
	Change in Net Position	(3,270,179)	7,448	(102,504)
				(3,365,235)
NET POSITION				
Balance, beginning of year	<u>13,188,641</u>	<u>(662,408)</u>	<u>(8,129)</u>	<u>12,518,104</u>
Balance, end of year	<u>\$ 9,918,463</u>	<u>\$ (654,960)</u>	<u>\$ (110,633)</u>	<u>\$ 9,152,870</u>

The accompanying notes are an integral part of the basic financial statement.

CITY OF BAKER, LOUISIANA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 4,772,380	\$ 335,252	\$ 359,246	\$ 5,466,878
Payments to suppliers	(2,334,743)	(241,554)	(35,112)	(2,611,409)
Payments to employees	<u>(944,565)</u>	<u>(161,125)</u>	<u>(18,115)</u>	<u>(1,123,805)</u>
Net Cash Provided by (Used for) Operating Activities	1,493,072	(67,427)	306,019	1,731,664
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in customer deposits	9,812	-	-	9,812
Loans to other funds	(3,296,456)	-	-	(3,296,456)
Operating transfers to/from other funds	<u>(3,668,737)</u>	<u>-</u>	<u>(130,000)</u>	<u>(3,798,737)</u>
Net Cash Used for Non-Capital and Related Financing Activities	(6,955,381)	-	(130,000)	(7,085,381)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(4,666,387)	(8,343)	-	(4,674,730)
Principal payments on bonds payable	(185,000)	-	-	(185,000)
Interest and related payments on bonds payable, net of earnings	<u>127,807</u>	<u>-</u>	<u>-</u>	<u>127,807</u>
Net Cash Used for Capital and Related Financing Activities	(4,723,580)	(8,343)	-	(4,731,923)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase/redemption of investments	3,577,671	27,410	-	3,605,081
Interest on investments	<u>(100,306)</u>	<u>11,794</u>	<u>-</u>	<u>(88,512)</u>
Net Cash Provided by Investing Activities	<u>3,477,365</u>	<u>39,204</u>	<u>-</u>	<u>3,516,569</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,708,524)	(36,566)	176,019	(6,569,071)
Cash and cash equivalents, beginning of year	6,770,962	103,253	208,794	7,083,009
Cash and cash equivalents, end of year	<u>\$ 62,438</u>	<u>\$ 66,687</u>	<u>\$ 384,813</u>	<u>\$ 513,938</u>

Continued

CITY OF BAKER, LOUISIANA
STATEMENTS OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Utility	Cemetery	City Parish Sewer Revenue	Total Proprietary Funds
PRESENTATION ON STATEMENTS OF NET POSITION:				
Current Assets - cash and cash equivalents	\$ 62,438	\$ -	\$ 384,813	\$ 447,251
Restricted Assets - cash and cash equivalents	- <hr/>	66,687 <hr/>	- <hr/>	66,687 <hr/>
Total Cash and Cash Equivalents	<u>\$ 62,438</u>	<u>\$ 66,687</u>	<u>\$ 384,813</u>	<u>\$ 513,938</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 371,057	\$ (4,345)	\$ 27,496	\$ 394,208
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	413,980	5,073	-	419,053
Change in operating assets and liabilities:				
Accounts receivable and other assets	678,217	(59)	(1,673)	676,485
Accounts payable and accrued liabilities	(9,233)	762	280,196	271,725
Deferred revenues	1,592	28,315	-	29,907
Post-employment benefits and related deferred outflows (inflows)	110,946	(83,638)	-	27,308
Net pension liability and related deferred outflows (inflows)	<u>(73,487)</u>	<u>(13,534)</u>	<u>-</u>	<u>(87,021)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,493,072</u>	<u>\$ (67,427)</u>	<u>\$ 306,019</u>	<u>\$ 1,731,664</u>

The accompanying notes are an integral part of the basic financial statement.

BASIC FINANCIAL STATEMENTS

Notes

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The City of Baker, Louisiana (hereafter referred to as the City) was originally governed by the provisions of the Lawrason Act, Louisiana Revised Statute 33:321-481. The electorate adopted a Home Rule Charter on May 16, 1970, that would become effective on July 1, 1972. The Charter provided for a mayor-council form of government. The Council is elected to member districts. There are five council members, and they are compensated for their services. The purpose of the municipality is to promote the general welfare and safety, health, peace, good order, comfort, convenience, and morale of its inhabitants.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The following is a summary of the more significant policies:

Basis of Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Private Sector Standards of Accounting issued on or prior to November 30, 1989, generally are followed in both the government-wide financial statements and the proprietary fund type financial statements as made applicable through GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*. Certain significant components include the following:

- Management's Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations,
- Financial statements prepared using accrual basis accounting for all City activities, including infrastructure (roads, bridges, etc.) and long-term debt, otherwise known as government-wide financials, and
- Financial statements focusing on major funds utilizing the basis of accounting applicable to each fund type, referred to as fund financial statements.

Reporting Entity

The financial reporting entity presents all activities of the City's primary government, organizations for which the primary government is financially accountable (component units), and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. It consists of government-wide and fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities that report information on all non-fiduciary activities of the primary government and its

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

component units, if any. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Government activities generally are financed through taxes, intergovernmental revenues, fines, charges for services, and other nonexchange revenues.

Business-type activities are financed in whole or part by fees charged to external parties for services provided. The City's natural gas, sewer, and water services are classified as business-type services as well as its cemetery and sewer revenue fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

Fund financial reporting is at the major fund level in either the governmental or business-type categories. Major funds are presented alone in a separate column, while non-major funds are summarized into a single column in the basic financial statements. The following are the City's primary governmental funds:

General Fund - the primary operating fund of the City that accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to City policy. The General Fund is always a major fund.

Special Revenue Funds - account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes or designated by the City to be accounted for separately. The following special revenue funds are reported as major funds in the financial statements:

Street Fund - accounts for the ½-cent sales tax dedicated to road construction, maintenance, and beautification along the roadways within the City's boundaries.

City Court Fund - accounts for the operation of the City's court system.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Other special revenue funds, considered non-major, include (1) $\frac{1}{2}$ cent special tax - police, (2) $\frac{1}{2}$ cent special tax – fire, (3) 911 communications, and (4) marshal & police operations. These funds are combined into one column in the government-wide financial statements but reported separately in Required Supplementary Information.

Enterprise Funds – account for business-type activities to include:

Utility Fund - accounts for all financial resources related to the water, sewer and gas distribution systems managed and operated by the City.

Cemetery Fund - accounts for the operations of the Hillcrest Memorial Gardens Cemetery.

City Parish Sewer Revenue Fund - accounts for the activities associated with providing billing and collection services for the Parish of East Baton Rouge sewer and refuse customers located within or just outside of the City's boundaries.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and/or delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the proprietary funds are user fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All not meeting this definition are reported as non-operating revenues and expenses.

Blended Component Units

Governmental accounting standards through the Governmental Accounting Standards Board Statement No. 14, as amended through Statement No. 61, *The Financial Reporting Entity*, establishes the criteria for determining which component units should be considered part of the consolidated government for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit
2. Financial accountability
 - a. The primary government appoints a voting majority of the potential component unit's governing body, and the primary government can impose its will on the potential component unit or
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards
3. Financial benefit/burden relationship between the City and the potential component unit
4. Exclusion due to the nature and significance of their relationship with the primary government would cause the reporting entity's financial statements to be misleading.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Even though the Baker City Court and the Marshal Fund are both separate legal entities and governed by their own elected official, they are so intertwined with the City that they are, in substance, the same as the City and considered blended component units. The City Court and Marshal Fund have been reported in the special revenue funds in the accompanying financial statements, City Court Fund as major and Marshal Fund as non-major governmental funds. The Marshal Fund includes other police activities managed by the police chief such as asset forfeiture and certain police operations.

Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditure is generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, other post-employment benefits, compensated absences, claims and judgments, and pension costs are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, and video bingo monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City are also recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received and are recognized as revenue at that time.

Short-Term Interfund Receivables/Payables

During operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as being due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Elimination and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payable are typically eliminated to minimize the “grossing up” effect on assets and liabilities related to governmental activities. Because these amounts in the current year are immaterial, they have not been eliminated.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Inventories

All inventories are valued at cost using the first-in/first out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, utility system infrastructure, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financials. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Generally, the City maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	10-40 years
Equipment	4-10 years
Office Furniture	5-10 years
Vehicles	3-20 years
Infrastructure	40-50 years

Right to Use Assets

The City has recorded the right to use assets because of implementing GASB Statement No. 87 *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Subscription-based Technology Assets

The City has adopted GASB Statement No. 96 *Subscription-Based Information Technology Arrangement*, and recorded, if any, subscription-based technology assets. These assets are initially measured at an amount equal to the initial measurement of the subscription obligation plus any subscription payments made prior to the subscription term plus capitalizable implementation costs, and less any incentives received from the vendor at or before the commencement of the subscription term. The subscription-based technology assets are amortized on a straight-line basis over the life of the related lease.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Compensated Absences

The City allows annual leave to regular full-time employees based on the length of continuous service. No leave is earned, however, while on suspension or leave without pay status. Annual leave may be carried over to the next calendar year, and there is no limit on the amount an employee may accumulate. Because employees are encouraged to take time away, no more than 400 hours of unused annual leave will be paid upon retirement or separation. Employees are not paid for their annual leave at year-end, but are paid for accumulated, unused leave upon termination.

Sick leave is earned by regular employees at the rate of one day per month, and it may be accumulated up to 360 working days. Employees are not paid for unused sick leave upon termination.

In the government-wide financial statements and the proprietary fund type fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. In accordance with GASB Interpretation No.6 *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March 2000), no compensated absences liability is recorded on June 30, 2024, in the governmental fund financial statements. The liquidation of the compensated absence liabilities will be paid proportionally to funds in which the compensation was paid, primarily the general and utility funds.

Restricted Net Position

In the government-wide financial statements, net position is displayed in three components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.
- *Restricted net position* – reports assets on which a constraint has been placed by either (1) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) Imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – recognizes the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment of capital assets or the restricted component of net position.

The City adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. GASB No. 54 requires the fund balance amounts to be reported within the following fund balance classifications:

- *Non-spendable* – includes fund balance amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – includes fund balance amounts with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors,

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

- *Committed* – consists of fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which is the Mayor and Council members. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example - legislation, resolution, ordinance) it employed to previously commit those amounts.
- *Assigned* - made up of fund balance amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the government body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes
- *Unassigned* – includes all other fund balances that do not meet the definition of non-spendable, restricted, committed or assigned. They are the residual classification for the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which other fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

Stewardship, Compliance and Accountability

Budgetary Information - After presentation of the proposed budget in a public meeting, a public hearing date is advertised. At least ten days prior to the public hearing, the proposed budget is published in the official journal, and it is made available for inspection at City Hall. Following the public hearing, it is legally enacted through passage of an ordinance, no later than the thirtieth day of the last month of the fiscal year. Budgetary amendments require adoption of an ordinance.

Every appropriation, except an appropriation for capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended. Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended from time to time by the Council.

Deficit Fund Balances – Funds with deficit fund balances or net position as of June 30, 2024, are as follows:

General	\$ 631,426
Cemetery	668,493
City Parish Sewer Revenue	110,633
911 Communications	11,913

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Interfund Transfers

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues or expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Levied Taxes

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year. The East Baton Rouge Parish Sheriff acts as the tax collector on behalf of the City using the assessed values determined by the East Baton Rouge Tax Assessor. When the City receives the tax roll, a receivable is set up and revenue is recognized based on the assessed values to the extent available.

The following is a summary of authorized and levied ad valorem taxes:

<u>Fund Type</u>	<u>Purpose</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General	General purpose	6.22	5.76	Indefinite

Historically, virtually all ad valorem taxes receivable are collected since they are secured by property; therefore, there is no allowance for uncollectible taxes. The Council has not rolled forward since the last property assessment and, therefore, the levied taxes are less than authorized.

Sales taxes are recognized as revenue in the month of the underlying sale transaction. The City-Parish of East Baton Rouge has been contracted to collect and remit this tax to the City for which a fee is charged.

The following is a summary of authorized sales taxes:

<u>Fund Type</u>	<u>Purpose</u>	<u>Percent</u>	<u>Expiration Date</u>
General	General purpose	2.00	None
Special Revenue	Salaries of firefighters, police, and other personnel and acquisition of public safety equipment	0.50	None
Special Revenue	Street maintenance and construction	0.50	12/31/2030

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND INVESTMENTS

Deposits and Cash Equivalents

On June 30, 2024, the City had cash (book balances) totaling \$12.9 million (inclusive of restricted cash of \$1.3 million) consisting primarily of demand and interest-bearing demand deposits at local banks. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always equal the amount on deposit with the fiscal agent.

Governmental Accounting Standards Board (GASB) Statement No. 40 *Deposit and Investment Risk Disclosures* requires disclosure of custodial credit risk for bank deposits. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned. Under state law, all deposits are required to be secured by federal depository insurance or the pledge of securities held by the pledging bank's agent in the City's name. At year-end, bank balances amounted to \$7.8 million at Hancock Whitney Bank and \$1.6 million at Chase Bank. Of these bank balances, \$1,000,000 was covered by federal depository insurance and the remaining balance was protected against custodial credit risk by collateral held by the pledging banks' trust department or agent in the City's name.

Investments

Investments, original maturities exceeding 90 days, are limited by La. Revised Statute 33:2955. In accordance with GASB No. 31 *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are recorded at quoted market value with the corresponding increase or decrease reported in investment earnings.

Investments made by the City consist of long-term certificates of deposit and securities managed under an Investment Management Agreement with Hancock Whitney Trust Division. Based on policy, the objectives of the City in relation to its investments are 1) safety of principal, 2) liquidity and 3) yield.

Category 1 investments are those insured or registered in the name of the government, securities held by the government or by its agent in the government's name. Category 2 includes investments that are neither insured nor registered.

The City had the following investments on June 30, 2024:

	<u>Category 1</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Certificates of Deposit –					
Hancock Whitney Bank	\$ 122,264	\$ 122,264	\$ 122,264	1/2025	2.50%
Investments Not Subject to Categorization:					
FNMA – mortgage backed	326,231	293,052	2026-2036	2.29% - 2.50%	
FHLB – mortgage backed	19,780	20,051	6/2025	2.49% - 3.00%	
FHLMC – mortgage backed	240,018	211,991	2036-2040	2.50% - 3.00%	
Fixed Income	35,000	34,887	12/2026	4.75%	
U.S. Treasury bonds	984,373	633,511	2025-2030	.37% - 4.37%	
Total Investments	<u>\$ 1,605,402</u>	<u>\$ 1,193,492</u>			

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Based on fair market measurement methods, investments are classified by level based on their degree of difficulty obtaining quoted market prices. All investments of the City can be classified as level 1 assets.

NOTE 3 – INVESTMENT RISK

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the City's investment in a single issuer. There is no policy limiting concentration of credit risk, but the City adheres to state law regarding allowable investments that minimize loss.

The City's investment includes certificates of deposit in financial institutions chartered or having principal offices in Louisiana and treasury-backed securities. The certificates of deposit are secured by the pledge of securities owned by the financial institution issuing the certificate of deposit and are not subject to credit risk disclosure. The U. S. Treasury and U.S. Agency securities are rated AAA by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be used to recover the value of investment or collateral securities that are in the possession of an outside party. Exposure to custodial credit risk arises when securities are insured or are not registered in the name of the City and are held by either the counterparty or the counterparty's trust department or agent, but not in the City's name. The City was not exposed to custodial credit risk as of June 30, 2024, and its policy provides for periodic review of pledged collateral to minimize custodial credit risk.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates in the general market will adversely affect the fair value of an investment. The holding period of investment security can be an indicator of interest rate risk exposure.

As of June 30, 2024, the City's investments reported on the governmental-wide statement of net position totaled \$1.7 million which included \$1.6 million in fixed-income, mortgage-backed securities and treasury notes managed by Hancock Whitney Trust Division and \$122,264 in long-term certificates of deposit. The City seeks counsel from its trustees regarding interest rates.

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends, period aging and prior write-offs of similar account types.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Accounts receivables, net of applicable allowances, on June 30, 2024, were as follows:

Governmental Funds:

	General Fund	Street Fund	Non-Major Governmental Funds	Total
Accounts	\$ 953,850	\$ -	\$ -	\$ 953,850
Sales tax	535,330	317,675	207,319	1,060,324
Franchise tax	154,118	-	-	154,118
Other	<u>2,052,464</u>	<u>-</u>	<u>-</u>	<u>2,052,464</u>
Total receivables	3,695,762	317,675	207,319	4,220,756
Less: Allowance for uncollectible	<u>(171,077)</u>	<u>-</u>	<u>-</u>	<u>(171,077)</u>
Receivables, net	<u><u>\$ 3,524,685</u></u>	<u><u>\$ 317,675</u></u>	<u><u>\$ 207,319</u></u>	<u><u>\$ 4,049,679</u></u>

Proprietary Funds:

	Utility	Cemetery	Total
Accounts receivable	\$ 1,142,212	\$ 104,929	\$ 1,247,141
Unbilled receivables	170,866	-	170,866
Less: Allowance for uncollectible	<u>(765,315)</u>	<u>-</u>	<u>(765,315)</u>
Receivables, net	<u><u>\$ 547,763</u></u>	<u><u>\$ 104,929</u></u>	<u><u>\$ 652,692</u></u>

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

Interfund balances - generally used to meet cash demands to pay operating expenditures. During the year, the General Fund utilized \$1,799,991 from the Street Fund that will be repaid in the subsequent fiscal year.

Transfers – typically used to move revenue from the fund that collects them to the fund that the budget requires to expend them in accordance with budgetary authorizations. During the year ended June 30, 2024, transfers for the purpose of cash flow and operations consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds:			
General Fund	\$ 4,939,999	\$ -	\$ 4,939,999
½ Cent Tax Fire Fund	-	730,000	(730,000)
½ Cent Tax Police Fund	-	730,000	(730,000)
911 Communications Fund	318,738	-	318,738

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Proprietary Funds:

Utility	-	3,668,737	(3,668,737)
Sewer Revenue	-	130,000	(130,000)
Total	<u>\$ 5,258,737</u>	<u>\$ 5,258,737</u>	<u>\$ -0-</u>

NOTE 6 - CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital assets, not subject to depreciation:				
Land	\$ 1,333,897	\$ -	\$ -	\$ 1,333,897
Total capital assets, not being depreciated	<u>1,333,897</u>	<u>-</u>	<u>-</u>	<u>1,333,897</u>
Depreciated:				
Buildings	6,758,739	-	16,234	6,742,505
Improvements	4,072,617	547,675	11,459	4,608,833
Streets/Bridges	12,580,480	152,527	-	12,733,007
Equipment	3,338,623	793,067	20,857	4,110,833
Vehicles	2,201,485	550,961	145,087	2,607,359
Furniture and equipment	581,246	3,622	3,731	581,137
Leased vehicles under capital lease	2,103,064	-	-	2,103,064
Total capital assets, being depreciated	<u>31,636,254</u>	<u>2,047,852</u>	<u>197,368</u>	<u>33,486,738</u>
Total Capital Assets	<u>\$ 32,970,151</u>	<u>\$ 2,047,852</u>	<u>\$ 197,368</u>	<u>\$ 34,820,635</u>
Less accumulated depreciation for:				
Buildings	\$ 3,775,959	\$ 168,302	\$ 16,234	\$ 3,928,027
Improvements	2,902,996	120,529	11,459	3,012,066
Streets/Bridges	3,058,665	423,951	-	3,482,616
Equipment	2,416,820	309,650	20,857	2,705,613
Vehicles	1,789,377	185,698	145,087	1,829,988
Furniture and equipment	493,475	34,984	3,731	524,728
Total accumulated depreciation	<u>14,437,292</u>	<u>1,243,114</u>	<u>197,368</u>	<u>15,483,038</u>
Total capital assets, being depreciated, net	<u>17,198,962</u>	<u>804,738</u>	<u>-</u>	<u>18,003,700</u>
Total Capital Assets, net	<u>\$ 18,532,859</u>	<u>\$ 804,738</u>	<u>\$ -</u>	<u>\$ 19,337,597</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Depreciation expense totaling \$1,243,114 for the year ended June 30, 2024, was charged to governmental functions in the statement of activities as follows:

General government	\$ 235,076
Public safety	531,606
Public works	<u>476,432</u>
Total	<u><u>\$ 1,243,114</u></u>

Business-Type Activities

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Business-Type Activities:				
Capital assets not subject to depreciation:				
Land	\$ 373,572	\$ 2,700	\$ -	\$ 376,272
Construction in progress	2,574,308	4,079,966	-	6,654,274
Total capital assets, not being depreciated	<u>2,947,880</u>	<u>4,082,666</u>	<u>-</u>	<u>7,030,546</u>
Capital assets subject to depreciation:				
Buildings	283,962	-	-	283,962
Utility systems	16,721,173	366,850	-	17,088,023
Streets	50,000	-	-	50,000
Equipment	683,937	225,214	-	909,151
Vehicles	307,397	-	-	307,397
Furniture and equipment	106,595	-	-	106,595
Total capital assets, being depreciated	<u>18,153,064</u>	<u>592,064</u>	<u>-</u>	<u>18,745,128</u>
Total Capital Assets	21,100,944	4,674,730	-	25,775,674
Less accumulated depreciation for:				
Buildings	232,126	6,480	-	238,606
Utility systems	8,880,885	379,413	-	9,260,298
Streets	50,000	-	-	50,000
Equipment	623,581	28,023	-	651,604
Vehicles	293,405	5,137	-	298,542
Furniture and equipment	106,597	-	-	106,597
Total accumulated depreciation	<u>10,186,594</u>	<u>419,053</u>	<u>-</u>	<u>10,605,647</u>
Total capital assets, being depreciated, net	<u>7,966,471</u>	<u>173,011</u>	<u>-</u>	<u>8,139,482</u>
Total Capital Assets, net	<u><u>\$ 10,914,351</u></u>	<u><u>\$ 4,255,677</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,170,028</u></u>

Construction in progress includes (1) improvements to 2 water wells and the overall distribution system; (2) replacement of the oldest well; and (3) drilling of a fourth well on the west side of the City's boundaries. This project began three years ago and is anticipated to be completed no later than spring of 2025. On June 30, 2024, the project was 88% complete. Funding was provided by a \$1.835 million LCDBG Public Facilities grant and a \$6.34 million bond issuance approved in July of 2021.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 - PENSION PLAN

The City is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by four public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS), the Municipal Police Employees' Retirement System (MPERS), the Firefighters' Retirement System (FRS), and the Louisiana State Employees Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Each of these systems issue an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling, or downloading the reports as follows:

MERS
7937 Office Park Boulevard
Baton Rouge, LA 70809
(225) 925-4810
www.mersla.com

MPERS
7937 Office Park Boulevard, Suite 2000
Baton Rouge, LA 70809
(225) 929-7411
www.lampers.org

FRS
3100 Brentwood Drive
Baton Rouge, LA 70809
(225) 925-4060
www.lafirefightersret.com

LASERS
8401 United Plaza Boulevard, 1st Floor
Baton Rouge, LA 70809
(225) 922-0600
www.lasersonline.org

Plan Descriptions

The following descriptions of the plans and their benefits are provided for general information purposes only. Detailed information regarding eligibility, membership, retirement and survivor benefits, and other information should be found in the Plans' individual reports referenced above.

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system, and which elect to become members of the System. The City of Baker is a participant in Plan A only.

Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

Firefighters' Retirement System (FRS)

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251- 11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Louisiana State Employees' Retirement System (LASERS)

One employee of the City is provided with pension through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability.

Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC) in accordance with La. Revised Statute 11:127.

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of the covered payroll. The contribution rates in effect for the year ended June 30, 2024, for the City and covered employees were as follows:

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

	<u>City</u>	<u>Employees</u>
Municipal Employees' Retirement System Plan A		
Members hired prior to 01/01/2013	29.50%	10.00%
Members hired after 01/01/2013	29.50%	10.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	33.93%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.93%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	32.25%	7.50%
Firefighters' Retirement System		
Employees receiving compensation above poverty guidelines of US Department of Health	33.25%	10.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.25%	8.00%
Louisiana State Employees' Retirement System		
Judges hired after 12/31/2010	44.80%	13.00%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2023, measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2024, in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used on June 30, 2024, along with the change compared to the June 30, 2023, rate. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2024	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 4,358,631	0.1549%	1.4859%	-1.3310%
MPERS	3,957,607	0.0044%	0.5009%	-0.4965%
FRS	3,254,762	0.0058%	0.5009%	-0.4951%
LASERS	308,669	0.0048%	0.0045%	0.0003%
Total	<u>\$ 11,879,669</u>			

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

The following schedule list each pension plan's recognized pension expense (benefit) of the City for the year ended June 30, 2024:

MERS	\$ 549,895
MPERS	593,507
FRS	772,911
LASERS	<u>45,114</u>
Total	<u><u>\$ 1,961,427</u></u>

On June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 523,815	\$ (341,414)
Changes of assumptions	139,239	(25,729)
Net difference between projected and actual earnings on pension plan investments	1,806,115	-
Changes in proportion and differences between Employers' contributions and proportionate share of contributions	537,606	(228,190)
Differences between allocated and actual contributions	-	(51,864)
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 3,006,775</u>	<u>\$ (647,198)</u>

For that portion related to governmental activities, the reconciliation from fund to government-wide level reporting is as follows:

Change in...	
Net pension liability	\$ (364,608)
Deferred outflows of resources	855,124
Deferred inflows of resources	392,890
	<u>\$ 883,406</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
MERS	\$ 584,706	\$ (234,758)
MPERS	673,406	(335,034)
FRS	1,261,650	(77,406)
LASERS	487,013	-
Total	<u>\$ 3,006,775</u>	<u>\$ (647,198)</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

The City reported a total of \$3,006,775 as deferred outflows of resources related to pension contributions made after the measurement period of June 30, 2023, which will be recognized as a reduction in Net Pension Liability in the subsequent year. The following schedule lists the pension contributions made after the measurement period for each pension plan:

	Subsequent Contributions
MERS	\$ 526,012
MPERS	349,112
FRS	307,523
LASERS	38,811
Total	<u><u>\$ 1,221,458</u></u>

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as a reduction of pension expense as follows:

Year	MERS	MPERS	FRS	LASERS	Total
2024	\$ (189,616)	\$ 161,313	\$ (72,455)	\$ (8,768)	\$ (109,526)
2025	(300,204)	52,393	(122,973)	(12,927)	(383,711)
2026	(394,169)	39,745	(194,328)	(25,330)	(574,082)
2027	(157,344)	6,177	126,796	702	(23,669)
2028	26,394	267,008	(76,014)	28,007	245,395
2029	-	(77,946)	(487,839)	50,149	(515,636)
Total	<u><u>\$ (1,014,939)</u></u>	<u><u>\$ 448,690</u></u>	<u><u>\$ (826,813)</u></u>	<u><u>\$ 31,833</u></u>	<u><u>\$ (1,361,229)</u></u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2024, are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2023	3 years	6.85% net of investment expenses
MPERS	June 30, 2023	4 years	6.75% net of investment expenses
FRS	June 30, 2023	7 years	6.90% net of investment expenses
LASERS	June 30, 2023	2 years	7.25% net of investment expenses

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Mortality

MERS - Employee mortality rates based on PubG-2010(B) Employee Table set rates equal to 120% for males and females, each adjusted using their respective male and female Mp2018 scales.

MPERS - Mortality assumptions were based on the RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Mortality Table projected to 2029 by Scall AA (setback 1 year for females) for healthy annuitants and beneficiaries. The RP- 2000 Disabled Lives Mortality Table was selected for disabled annuitants (setback 5 and 3 years for males and females, respectively).

FRS – Mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Medium Employees for active members. The same Pub-2010 was utilized but for annuitants and beneficiaries the table for Healthy Retirees was used and for disabled retirees the table for Safety Disabled Retirees was used. In all cases, the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

LASERS - *Non-disabled members* - Mortality rates are based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Mortality Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

LASERS - *Disabled members* - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Salary Increases

MERS – 6.4% and 4.5% for years of service totaling 1-4 years and 5+ years, respectively, assuming 2.5% Inflation

MPERS -

Years of Service	Salary Growth Rate
1 - 2	9.00%
3 - 23	4.40%
Over 23	4.40%

FRS – Varies depending on years of service starting at 14.10% in the first two years of service, decreasing to 5.20% for years 3 – 24 and to 5.20% after 25 years, including inflation and merit increases.

LASERS - Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Cost of Living Adjustments

MERS - The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income more than normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are aged sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

MPERS – The present value of future retirement benefits is based on benefits currently being paid by the System. Act 360 of 2022 removed MPERS from R.S. 11:243, R.S. 11:246, R.S. 11:107.2 and repealed R.S. 11:2225(A)(7) and enacted R.S. 11:2225.5 which created a Funding Deposit Account. The account for the accumulation of additional employer contributions is dedicated to the funding of future cost-of-living increases only after sufficient funds are available to fully offset the present value of the additional benefits offered. It shall earn interest and may be credited with up to .85% of plan payroll in any year in which the Board of Trustees elects to require that employers contribute an amount more than the rate determined under R.S. 11:103. Its balance shall not be considered for the purpose of computing the employer contribution rate.

FRS - COLAs were deemed not to be substantively automatic and only for those previously granted.

LASERS - The present value of future benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Rate of Return

The following methods used by each of the retirement systems in determining the long- term rate of return on pension plan investments:

MERS - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing diversification. The resulting expected long-term rate of return is 6.85% for the year ended June 30, 2024.

MPERS - The long-term expected rate of return was 6.75%. The projection of cash flows used to determine this rate assumes contributions from plan members will be made at the current rates and contributions from participating employers and non-employer contributing entities will be made at actuarially determined contribution rates calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. It was projected that the plans' fiduciary net position would be available to make all projected future benefit payments of current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

FRS - The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%. The long-term geometric expected rate of return was 6.90% as of June 30, 2024.

LASERS - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.25% as of June 30, 2024.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each system's target asset allocations as of June 30, 2024:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	MERS	MPERS	FRS	MERS	MPERS	FRS
Public equity	53.0%	0.00%	0.00%	2.31%	0.00%	0.00%
Equity	0.00%	55.50%	55.00%	0.00%	3.47%	6.44%
Public fixed income	38.0%	0.00%	0.00%	1.65%	0.00%	0.00%
Fixed income	0.00%	30.50%	27.00%	0.00%	0.59%	3.08%
Alternatives	9.00%	14.00%	18.00%	0.39%	1.02%	9.53%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	4.35%	5.08%	19.02%
Inflation				<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>
Expected Arithmetic Nominal Return				<u>6.85%</u>	<u>4.80%</u>	<u>6.90%</u>

For LASERS, the target allocation, and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	
Cash	0%	-0.59%	
Domestic equity	18%	4.79%	
International equity	22%	5.83%	
Domestic Fixed Income	7%	1.76%	

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

International Fixed Income	10%	3.98%
Alternative Investments	31%	6.69%
Global Asset Allocation	12%	4.20%
Total	<u>100%</u>	

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS, FRS, and LASERS was 6.85%, 6.75%, 6.90% and 7.25%, respectively for the year ended June 30, 2024.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
MERS			
Discount Rates	5.850%	6.850%	7.850%
Share of Net Pension Liability	6,563,662	4,358,631	1,861,135
MPERS			
Discount Rates	5.75%	6.750%	7.75%
Share of Net Pension Liability	5,879,025	3,957,607	1,604,018
FRS			
Discount Rates	5.90%	6.90%	7.90%
Share of Net Pension Liability	5,403,556	3,254,762	1,792,397
LASERS			
Discount Rates	6.25%	7.25%	8.25%
Share of Net Pension Liability	392,387	299,669	78,543

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS PLAN

In accordance with state statutes, the City of Baker provides certain post-employment health care and life insurance benefits to its retired employees. Substantially all City of Baker employees may become eligible for such benefits upon reaching normal retirement age while working for the City. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program and various insurance companies whose monthly premiums are paid jointly by the employee and the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Plan Description: The City's medical and dental benefits are provided through a group Medicare supplemental plan and are made available to employees upon actual retirement. The City pays approximately 60-70% of the medical premium while the retiree pays the balance. Dental coverage is shared by the City and retirees at 50% each. Pre-65 medical benefits are provided through Blue Cross Blue Shield of Louisiana offering three different plans. All active employees who retire directly from the City and meet the eligibility criteria may participate. The criteria are based on the retirement system whose eligibility provisions are the earlier of (a) age 60 and 10 years of service, or (b) 25 years of service without regard to age. Post-employment coverage is provided for the life of the retiree and his/her spouse if the spouse was covered on the date of separation. This coverage may be changed or terminated by management.

Funding Policy: Until 2011, the City recognized the cost of providing post-employment medical benefits (the City of Baker's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

Effective July 1, 2017, the City implemented Government Accounting Standards Board Statement No. 75 *Accounting for Post-employment Benefits* (GASB 75), which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of actuarially determined accrued benefits, less amounts funded into a trust rather than recognizing the liability based upon the difference between funding recommendations and actual contributions, as was previously required. Additionally, the liability is now measured based on more prescriptive standards. The standard became effective for annual reporting periods beginning after June 15, 2017.

Actuarial Methods and Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

The total OPEB liability in the actuarial valuation on June 30, 2024, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%
Discount rate	3.54% annually (1.04% real rate of return plus 2.50% inflation)
Healthcare cost trend rates	Level 4.50% for medical and level 2.50% for dental

Actuarial Cost Method: Where the Governmental Accounting Standards Board (GASB) Statements 43 and 45 allowed for one of six different actuarial cost methods, GASB 74 and 75 require the Entry Age Normal cost method based on a level percentage of projected salary.

Service Cost: The service cost is determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the Plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

Actuarial value of plan assets: Since the OPEB obligation is not being funded, the actuarial value of assets is zero. The pay-as-you-go method is utilized by the City where required payments are made as they come due.

Turnover Rate: Termination rates from the Louisiana Municipal Employees Retirement System (MERS) actuarial valuation report were used for non-public safety employees; the Louisiana Municipal Police Employees Retirement System (MPERS) actuarial valuation report for police employees; and the Louisiana Fireman Retirement System (FRS) actuarial valuation report for fire employees.

Discount rate: The discount rate was selected by reviewing the recently published Bond Buyers' 20 Year General Obligation municipal bond index, which is one of the indices acceptable under GASB 75. A discount rate of 2.21% with a -0.29% real rate of return plus 2.5% inflations was selected for this valuation.

Mortality Rate: The RPH-2014 Total Table with Projection MP-2019 table was used.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Post-retirement Benefit Coverage: It has been assumed 100% of all retirees who currently have healthcare coverage will continue with the same coverage. Additionally, it is assumed that 100% of all active employees will continue with individual coverage upon retirement. For those with family coverage, it is assumed 30% will elect to continue with the spouse coverage and the remainder will elect individual coverage.

Employees Covered by Benefit Terms

As of June 30, 2024, the following summarizes active and retiree participants covered by the benefit terms:

Status	Employee	Employee & Dependents
Active (=112)	95	27
Retired (=36)	29	7
Total = 148	114	34

Total OPEB Liability

The City's total OPEB liability of \$5,263,137 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

	Amount
Balance on June 30, 2023	<u>\$ 5,012,371</u>
Changes for the year:	
Service cost	188,596
Interest	177,272
Differences between expected and actual experience	(86,973)
Changes in assumptions	(28,129)
Benefit payments and net transfers	-
Net change	<u>250,766</u>
Balance on June 30, 2024	<u>\$ 5,263,137</u>
Covered-employee payroll	<u>\$ 4,302,807</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>122.32%</u>

For that portion related to governmental activities, the reconciliation from fund to government-wide level reporting is as follows:

Change in...	
Net OPEB liability	\$ (223,458)
Deferred outflows of resources	(2,231)
Deferred inflows of resources	-
	<u>(225,689)</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (3.50%)	Current Discount Rate (4.50%)	1.0% Increase (5.50%)
Total OPEB liability	<u>\$ 5,210,506</u>	<u>\$ 5,263,137</u>	<u>\$ 5,315,768</u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease (3.5%)	Current Trend (4.5%)	1.0% Increase (5.5%)
Total OPEB liability	<u>\$ 4,347,807</u>	<u>\$ 5,263,137</u>	<u>\$ 6,000,965</u>

Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
The OPEB expense reported in the accompanying financial statements was computed as follows:

	Amount
Service cost as of 7/1/2023	\$ 217,130
Interest costs, including interest on service cost	177,272
Current Recognized Deferred Outflows (Inflows):	
Difference between expected and actual experience	(86,973)
Changes in assumptions or other inputs	<u>(28,129)</u>
 Total OPEB Expense as of 6/30/2024	 <u>\$ 279,300</u>

Changes in the OPEB liability each year results in deferred outflows and inflows of resources which are summarized in the following table:

	Schedule of Deferred Outflows/(Inflows)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (574,915)
Changes of assumptions/inputs	<u>389,935</u>	<u>(919,141)</u>
 Totals	 <u>\$ 389,935</u>	 <u>\$ 1,494,056</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – LEASES AND RIGHT TO USE ASSETS

Short-Term Leases – The City has software leases that do not extend beyond June 30, 2024. These are recorded as expenses in the year in which the payment is made.

Capital Leases - The City leases three pumper and one aerial ladder under a lease-purchase agreement treated as a capital lease due to the option to transfer ownership at the end of the lease term. The equipment cost of \$2,103,064 includes a lease term of five years at an interest rate of 3.66%. The term began upon delivery of the fire engines in May of 2020 and terminates upon the earlier of the (1) expiration of the original lease term; (2) exercise of purchase option before expiration; (3) default by either party; or (4) payment by Lessee of all payments authorized or required to be paid through the full lease term.

The payment schedule related to the full lease term is as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Debt Service</u>
2025	<u>\$ 1,064,394</u>	<u>\$ 32,890</u>	<u>\$ 1,097,284</u>

At the government-wide level, the equipment cost is reported as a depreciable capital asset and the short and long-term portion of the lease obligation is recognized.

Capital Assets – depreciable \$ 2,103,064

Management anticipates transferring ownership at the end of the lease term in March of 2025, upon payment of the final installment of \$1,097,284.

At the fund level, lease payments are reported as debt service including only the payment made during the current year.

Debt Service:	
Principal	\$ 225,727
Interest	<u>47,211</u>
	\$ 272,938

Right to Use Assets – The City entered into agreements to lease copiers and vehicles that qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

They are amortized systematically over the shorter period of the lease term or the useful life of the asset. Activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decrease	Ending Balance
Right to Use Assets				
Leased equipment	\$ 115,108	\$ -0-	\$ -0-	\$ 115,208
Leased vehicles	430,454	-0-	-0-	430,454
Less: Accumulated Amortization for:				
Leased equipment	\$ 46,032	23,016	-0-	69,048
Leased vehicles	114,784	86,088	-0-	200,872
Right to Use Assets, Net	\$ 384,746	\$ (109,104)	\$ -0-	\$ 275,642

Lease Receivables – The City executed a lease agreement for office space through June of 2024. Rent revenues of \$1,500 per month are expected. This lease falls under the auspices of GASB Statement No. 87, and therefore, has been recorded at the present value of future lease payments expected to be received during the lease term. A corresponding deferred inflow of resources has also been reported and will be systematically amortized over the lease term. Activity reported on the government-wide financial statements for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decrease	Ending Balance
Lease Receivable	\$ 17,801	\$ 41,107	\$ 17,801	\$ 41,107
Deferred Inflows of Resources				
Related to Leases	\$ 17,651	\$ 41,107	\$ 17,651	\$ 41,107

At the fund level, the rental payments received are reported as revenue which for the year ended June 30, 2021, was \$18,000.

NOTE 10 - LONG-TERM DEBT

Leases – The City entered into agreements to lease copiers and vehicles that qualify as other than short-term leases under GASB Statement No. 87. They have been entered as a non-current asset, net of amortization, on the government-wide statement of net position. Additionally, lease liability has been recorded distinguishing between the current and long-term portion of the lease obligation.

The copier lease was executed on July 1, 2021, requiring 60 monthly payments of \$2,085. Variable components include excess copy fees. The lease liability is measured at a discount rate of 3.33%, the stated APR. As a result of this lease, the City recorded a liability of \$115,108.

The vehicles lease was executed on 3/1/2022, requiring 60 monthly payments of \$7,775. There are no variable components of this lease. The lease liability is measured at a discount rate of 3.33% as well. As a result of this lease, the City recorded a liability of \$430,454.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

In the current year, principal payments of \$106,883 were made leaving a balance of \$285,796 due on June 30, 2024, maturing in June of 2026 and February of 2027. The long-term portion of the right to use leased assets liability totals \$175,306.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, are as follows:

Year Ending <u>June 30</u>	Principal Payments	Interest Payments	Total
2025	\$ 110,490	\$ 7,171	\$ 117,661
2026	117,149	4,096	121,245
2027	58,157	769	58,926
	<u>\$ 285,796</u>	<u>\$ 12,036</u>	<u>\$ 297,832</u>

Other long-term obligations are summarized below for the year ended June 30, 2024:

	Beginning July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amount Due Within One Year
Governmental Activities:					
Claims/judgments	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -0-
Compensated absences	732,177	-	98,405	633,772	-0-
Capital lease	1,290,121	-	225,727	1,064,394	1,064,394
Net OPEB	4,005,875	223,458	-	4,229,333	-0-
Net pension liability	<u>10,450,819</u>	<u>364,608</u>	<u>-</u>	<u>10,815,427</u>	<u>-0-</u>
Totals	<u>\$ 16,553,992</u>	<u>\$ 588,066</u>	<u>\$ 324,132</u>	<u>\$ 16,817,926</u>	<u>\$ 1,064,394</u>
Business-Type Activities:					
Compensated absence	\$ 29,683	\$ 10,966	\$ -	\$ 40,649	\$ -0-
Revenue bonds 2021	6,160,000	-	185,000	5,975,000	190,000
Net OPEB	1,006,496	-	27,308	1,033,804	-0-
Net pension liability	<u>1,029,221</u>	<u>35,021</u>	<u>-</u>	<u>1,064,242</u>	<u>-0-</u>
Totals	<u>\$ 8,225,400</u>	<u>\$ 45,987</u>	<u>\$ 212,308</u>	<u>\$ 8,113,695</u>	<u>\$ 190,000</u>

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

The individual bond issues and loan agreements are as follows:

<u>Bond Issue/Loan Agreement</u>	Original Issue Amount	Interest Rate	Principal Outstanding June 30, 2024	Interest to Maturity	Maturity Date
Revenue Bonds Series 2021	\$ 6,340,000	2% -3%	\$ 5,975,000	\$2,010,627	7/2046

The payments due under the terms of this obligation as of June 30, 2024, are scheduled to occur as follows:

<u>Year Ending June 30,</u>	Principal Payments	Interest Payments	Total
2025	\$ 190,000	\$ 154,600	\$ 344,600
2026	195,000	148,900	343,900
2027	200,000	143,050	343,050
2028	210,000	133,000	343,000
2029	215,000	130,750	345,750
2030-2046	4,965,000	1,300,327	6,265,327
	<u>\$ 5,975,000</u>	<u>\$ 2,010,627</u>	<u>\$ 7,985,627</u>

NOTE 11 – RELATED PARTY TRANSACTIONS

There were no related party transactions that required disclosure.

NOTE 12 - RISK MANAGEMENT

Claims and Judgements

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It attempts to minimize risk from significant losses by binding insurance coverage through a public entity risk pool of Louisiana local governments and private insurance companies. Premiums paid are recognized as expenditures when paid. Losses exceeding coverage or uninsured claims are not expected to materially impact the City.

Paragraph 110 of Section C50 GASB *Codification of Governmental Accounting and Financial Reporting Standards* requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether it has been reported or not, and that the amount of the loss can be reasonably estimated. Claims have been made against the City that expose it to losses that could be material to its financial position if an unfavorable outcome were to occur and insurance coverage is insufficient. However, no estimate can be made of such losses as of the date these financial statements are issued. The amount of \$75,000 has been recorded as long-term obligation on the Government-wide Statement of Net Position for estimated deductibles on claims and judgements for risk management purposes.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 - CONTINGENCIES

The City is the recipient of both federal and state grants and awards. These grants and awards are governed by various requirements, guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these grants and awards is under the control of the City and is subject to audit and review by the applicable funding sources. Any grant or award found not to be properly spent in accordance with the requirements, guidelines, regulations, and contractual agreements of the funding sources may be subject to recapture.

NOTE 14 - DEFICIT FUND BALANCES

The General Fund had a deficit fund balance on June 30, 2024, of \$631,426. This is a result of capital projects initiated or completed during the year and is expected to reverse over the next year.

The 911 Communications Fund had a deficit fund balance on June 30, 2024, of \$11,913. The EMS fees received from East Baton Rouge Parish are not sufficient to cover the staff required to operate an efficient communications center. Increased EMS fees are expected in the subsequent year that will decrease the use of governmental revenues used to operate.

The Cemetery Fund had a deficit net position of \$668,493 on June 30, 2024. Of this amount, \$302,671 or 45.28% is attributable to reporting post-employment benefits and net pension liabilities based on actuarial assumptions. The remaining cause is the sale of pre-need vaults, markers and interments that are recognized as unearned revenue on the statement of net position as opposed to revenue on the statement of activities. To absolve the deficit net position, sales prices were increased for plots and interments. Management will continue to deposit 70% of all pre-need sales into a trust to be utilized towards the expense of future obligations related to burials.

The City Parish Sewer Revenue Fund had a deficit net position of \$110,633 on June 30, 2024. Excess funds are transferred out of this fund for governmental activities when available. The budgeted transfer was more than funds available at year-end that will be rectified in the subsequent year.

NOTE 15 – ACCOUNTING PRONOUNCEMENTS

Accounting Pronouncement Implemented –

GASB Statement No. 100 Accounting Changes and Error Corrections – An amendment of GASB Statement No. 62, this Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the reporting entity be reported by adjusting current period beginning balances, and changes in accounting estimated be reported prospectively by recognizing the change in the current period. It also requires that quantitative effects on beginning balances be disclosed in a tabular format. This Statement is effective for fiscal years beginning after June 15, 2023, and the City will include the requirements, as applicable, in its June 30, 2024, financial statements. This implementation had no material impact on the financial statements at June 30, 2024.

CITY OF BAKER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

Accounting Pronouncements Not Yet Implemented –

GASB Statement No. 101 Compensated Absences – This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and for leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid or settled. This Statement also establishes guidance for measuring the liability for leave that has been used, generally using an employee's pay rate as of the date of the financial statements. This Statement is effective for fiscal years beginning after December 15, 2023.

Management is currently assessing the impact that the implementation of this pronouncement will have on the basic financial statements, if any.

NOTE 16 - SUBSEQUENT EVENTS

Management evaluates events occurring after the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect financial statements. Subsequent events have been evaluated through April 1, 2025, the date on which the financial statements were available to be issued.

There were no such events included in these financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF BAKER, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES				
Intergovernmental	\$ 64,508	\$ 64,508	\$ 64,468	\$ (41)
Taxes:				
Sales	5,500,000	5,500,000	5,674,149	174,149
Franchise	1,014,000	764,000	726,466	(37,534)
Property	560,000	490,000	471,446	(18,554)
Hotel/Motel	115,000	115,000	69,094	(45,906)
Other	199,800	199,800	207,637	7,837
Charges for services	1,915,200	1,915,200	1,434,914	(480,286)
Licenses and permits	456,100	536,100	539,094	2,994
Fines and forfeitures	605,000	525,000	224,712	(300,288)
Grants and other contributions	2,028,500	2,028,500	978,355	(1,050,145)
Investment income, net	135,000	135,000	182,349	47,349
Other revenues	<u>293,900</u>	<u>613,900</u>	<u>898,470</u>	<u>284,570</u>
Total Revenues	12,887,008	12,887,008	11,471,154	(1,415,854)
EXPENDITURES				
Current function:				
General government	1,660,735	1,931,743	2,043,438	(111,695)
Public safety	7,404,720	7,894,950	7,790,172	104,778
Public works	2,850,000	2,920,000	2,993,098	(73,098)
Economic/recreational development	457,450	457,150	610,985	(153,835)
Debt service:				
Principal	225,727	225,727	225,727	-
Interest	47,211	47,211	47,211	-
Capital outlay	<u>2,047,852</u>	<u>2,047,852</u>	<u>1,887,035</u>	<u>160,817</u>
Total Expenditures	<u>14,693,695</u>	<u>15,524,633</u>	<u>15,597,665</u>	<u>(73,033)</u>
Deficiency of Revenues over Expenditures	(1,806,687)	(2,637,625)	(4,126,511)	(1,342,821)

Continued

CITY OF BAKER, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	\$ 75,000	\$ 75,000	\$ 43,614	\$ (31,386)
Proceeds from recoveries	70,000	70,000	297,445	227,445
Transfers, net	<u>2,214,000</u>	<u>2,214,000</u>	<u>4,939,999</u>	<u>2,725,999</u>
Net Other Financing Sources (Uses)	<u>2,359,000</u>	<u>2,359,000</u>	<u>5,281,058</u>	<u>2,922,058</u>
Net Change in Fund Balance	552,313	(278,625)	1,154,547	1,579,237
FUND BALANCE				
Beginning of year	<u>10,146</u>	<u>10,146</u>	<u>(1,785,972)</u>	<u>1,796,118</u>
End of year	<u>\$ 562,459</u>	<u>\$ (268,479)</u>	<u>\$ (631,425)</u>	<u>\$ 3,375,355</u>

See accompanying independent auditor's report and note to budgetary comparison schedule.

CITY OF BAKER, LOUISIANA
STREET FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES				
Taxes:				
Sales	\$ 2,225,000	\$ 2,225,000	\$ 2,055,455	\$ (169,545)
Investment income, net	<u>7,000</u>	<u>7,000</u>	<u>(70,515)</u>	<u>(77,515)</u>
Total Revenues	<u>2,232,000</u>	<u>2,232,000</u>	<u>1,984,940</u>	<u>(247,060)</u>
EXPENDITURES				
Current function:				
Public works	494,410	494,410	172,179	322,231
Capital outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>160,817</u>	<u>839,183</u>
Total Expenditures	<u>1,494,410</u>	<u>1,494,410</u>	<u>332,996</u>	<u>1,161,414</u>
Net Change in Fund Balance	737,590	737,590	1,651,944	(1,408,474)
FUND BALANCE				
Beginning of year	<u>5,776,425</u>	<u>5,776,425</u>	<u>6,125,470</u>	<u>(349,045)</u>
End of year	<u>\$ 6,514,015</u>	<u>\$ 6,514,015</u>	<u>\$ 7,777,414</u>	<u>\$ (1,757,519)</u>

See accompanying independent auditor's report and note to budgetary comparison schedule.

CITY OF BAKER, LOUISIANA
CITY COURT FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
REVENUES				
Charges for services	\$ 40,000	\$ 40,000	\$ 24,854	\$ (15,146)
Fines and forfeitures	124,000	124,000	153,468	29,468
Investment income, net	-	-	2,259	2,259
Other revenues	<u>500</u>	<u>500</u>	<u>690</u>	<u>190</u>
Total Revenues	164,500	164,500	181,271	16,771
EXPENDITURES				
Current function:				
Public safety	<u>186,000</u>	<u>186,000</u>	<u>184,984</u>	<u>1,016</u>
Total Expenditures	<u>186,000</u>	<u>186,000</u>	<u>184,984</u>	<u>1,016</u>
Net Change in Fund Balance	(21,500)	(21,500)	(3,713)	15,755
FUND BALANCE				
Beginning of year	<u>1,349,070</u>	<u>1,349,070</u>	<u>1,410,297</u>	<u>61,227</u>
End of year	<u>\$ 1,327,570</u>	<u>\$ 1,327,570</u>	<u>\$ 1,406,584</u>	<u>\$ 76,983</u>

See accompanying independent auditor's report and note to budgetary comparison schedule.

CITY OF BAKER, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 188,596	\$ 188,596	\$ 273,796	\$ 273,796	\$ 143,559	\$ 143,559	\$ 138,197
Interest	177,272	177,272	146,572	145,440	232,172	225,208	229,266
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(86,973)	-	(511,345)	(55,104)	(240,891)	-	-
Changes of assumptions	(28,129)	-	(1,203,940)	-	739,217	-	-
Benefit payments and net transfers	-	(235,043)	(363,898)	(372,145)	(331,865)	(333,845)	(333,845)
Net Change in Total OPEB Liability	250,766	130,825	(1,658,815)	(8,013)	542,192	34,922	33,618
Total OPEB liability - beginning	<u>5,012,371</u>	<u>4,881,546</u>	<u>6,540,361</u>	<u>6,548,374</u>	<u>6,006,182</u>	<u>5,971,260</u>	<u>5,937,642</u>
Total OPEB liability - ending (a)	<u>\$ 5,263,137</u>	<u>\$ 5,012,371</u>	<u>\$ 4,881,546</u>	<u>\$ 6,540,361</u>	<u>\$ 6,548,374</u>	<u>\$ 6,006,182</u>	<u>\$ 5,971,260</u>
Covered-employee payroll	<u>\$ 4,302,807</u>	<u>\$ 4,302,807</u>	<u>\$ 3,723,219</u>	<u>\$ 3,723,219</u>	<u>\$ 3,723,219</u>	<u>\$ 2,856,794</u>	<u>\$ 2,856,794</u>
Net OPEB liability as a percentage of covered-employee payroll	122.32%	117.77%	114.73%	175.66%	175.88%	210.24%	209.02%

NOTES TO SCHEDULE:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2024.

Changes of Assumptions. There were no changes of assumptions for the year ended June 30, 2024.

(This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.)

See Independent Auditor's Report on Required Supplementary Information and Accompanying Notes to Required Supplementary Information Related to Other Post Employment Benefits.

CITY OF BAKER, LOUISIANA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST SHARING PLANS ONLY
YEAR ENDED JUNE 30, 2024

Pension Plan:	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System of Louisiana						
	2024	0.4368%	\$ 3,957,607	\$ 1,331,676	297.1899%	78.32%
	2023	1.4859%	4,132,897	3,556,353	116.2117%	77.82%
	2022	1.4859%	4,133,036	3,486,621	118.5399%	77.82%
	2021	1.4859%	4,133,036	2,573,367	160.6081%	77.82%
	2020	1.4680%	6,347,162	2,661,452	238.4849%	64.52%
	2019	1.2524%	5,185,818	1,912,812	271.1097%	63.94%
	2018	1.2002%	5,020,738	2,179,327	230.3802%	62.49%
	2017	1.1928%	4,889,113	2,130,577	229.4737%	63.34%
	2016	1.1890%	4,247,287	2,007,317	211.5902%	66.18%
	2015	1.1392%	2,923,588	2,068,064	141.3684%	73.99%
Municipal Police Employees' Retirement System						
	2024	0.4368%	3,957,607	1,351,183	292.8994%	78.32%
	2023	0.4696%	4,960,992	1,899,449	261.1806%	70.79%
	2022	0.4696%	4,800,146	1,808,999	265.3482%	70.80%
	2021	0.5020%	2,675,934	1,394,187	191.9351%	84.08%
	2020	0.4084%	3,709,210	1,330,065	278.8743%	71.01%
	2019	0.4196%	3,547,180	1,131,477	313.5000%	71.89%
	2018	0.3519%	3,072,201	1,127,457	272.4894%	70.08%
	2017	0.4622%	4,331,732	1,307,803	331.2221%	66.04%
	2016	0.4507%	3,530,395	1,221,242	289.0823%	70.73%
	2015	0.4996%	312,595	1,060,968	29.4632%	75.10%
Firefighters' Retirement System						
	2024	0.1059%	3,254,762	1,444,618	225.3026%	81.68%
	2023	0.5523%	2,043,316	1,407,667	145.1563%	77.69%
	2022	0.5009%	1,775,115	1,544,226	114.9518%	74.68%
	2021	0.5009%	1,775,115	1,305,876	135.9329%	86.78%
	2020	0.3890%	2,436,102	1,071,357	227.3847%	73.96%
	2019	0.3628%	2,086,641	919,893	226.8352%	74.76%
	2018	0.3657%	2,096,172	860,440	243.6163%	73.55%
	2017	0.3744%	2,449,039	851,681	287.5536%	68.16%
	2016	0.3589%	1,936,899	775,444	249.7794%	72.45%
	2015	0.3640%	1,619,831	702,846	230.4674%	76.02%

Continued

CITY OF BAKER, LOUISIANA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST SHARING PLANS ONLY (Continued)
YEAR ENDED JUNE 30, 2024

Pension Plan:	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System						
	2024	0.0014%	299,669	107,520	278.7100%	68.40%
	2023	0.0045%	342,834	107,520	318.8553%	63.70%
	2022	0.0044%	243,826	107,520	226.7723%	72.80%
	2021	0.0038%	314,285	107,520	292.3035%	58.01%
	2020	0.1310%	303,924	105,412	288.3204%	62.90%
	2019	0.4190%	379,119	103,345	366.8479%	64.30%
	2018	0.0042%	397,553	97,325	408.4798%	62.50%
	2017	0.0042%	439,194	99,076	443.2900%	57.70%
	2016	0.0032%	305,659	86,670	352.6699%	62.70%
	2015	0.0038%	343,846	83,875	409.9505%	65.00%

NOTES TO SCHEDULE:

Measurement Date. Amounts presented have a measurement date of June 30th of the previous fiscal year.

(This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.)

See Independent Auditors' Report on Required Supplementary Information and Accompanying Notes to Required Supplementary Information Related to Net Pension Liability.

CITY OF BAKER, LOUISIANA
SCHEDULE OF CONTRIBUTIONS TO EACH RETIREMENT SYSTEM
COST SHARING PLANS ONLY
YEAR ENDED JUNE 30, 2024

Year	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
Municipal Employees' Retirement System of Louisiana					
2024	\$ 930,820	\$ 930,820	\$ -	\$ 1,331,676	69.8984%
2023	848,840	848,840	-	3,556,353	23.8683%
2022	878,594	878,594	-	3,486,621	25.1990%
2021	868,512	868,512	-	2,573,367	33.7500%
2020	778,664	778,664	-	2,661,452	29.2571%
2019	671,326	671,326	-	2,582,023	26.0000%
2018	473,421	473,421	-	1,912,812	24.7500%
2017	495,797	495,797	-	2,179,327	22.7500%
2016	420,789	420,789	-	2,130,577	19.7500%
2015	376,372	376,372	-	2,007,317	18.7500%
Municipal Police Employees' Retirement System					
2024	522,405	522,405	-	1,351,183	38.6628%
2023	427,520	427,520	-	1,899,449	22.5076%
2022	431,867	431,867	-	1,808,999	23.8733%
2021	470,538	470,538	-	1,394,187	33.7500%
2020	411,342	411,342	-	1,330,065	30.9265%
2019	375,683	375,683	-	1,164,909	32.2500%
2018	359,244	359,244	-	1,131,477	31.7500%
2017	357,968	357,968	-	1,127,457	31.7500%
2016	385,802	385,802	-	1,307,803	29.5000%
2015	378,585	378,585	-	1,221,242	31.0000%
Firefighters' Retirement System					
2024	552,317	552,317	-	1,444,618	38.2327%
2023	494,237	494,237	-	1,407,667	35.1104%
2022	405,201	405,201	-	1,544,226	26.2397%
2021	421,145	421,145	-	1,305,876	32.2500%
2020	249,783	249,783	-	1,071,357	23.3146%
2019	260,378	260,378	-	982,558	26.5000%
2018	232,273	232,273	-	919,893	25.2500%
2017	217,261	217,261	-	860,440	25.2500%
2016	232,083	232,083	-	851,681	27.2500%
2015	219,063	219,063	-	775,444	28.2500%

Continued

CITY OF BAKER, LOUISIANA
SCHEDULE OF CONTRIBUTIONS TO EACH RETIREMENT SYSTEM
COST SHARING PLANS ONLY (Continued)
YEAR ENDED JUNE 30, 2024

Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
Louisiana State Employees' Retirement System					
2024	11,450	11,450	-	107,520	10.6492%
2023	45,410	45,410	-	107,520	42.2339%
2022	37,823	37,823	-	107,520	35.1776%
2021	36,172	36,172	-	107,520	33.6421%
2020	33,932	33,932	-	105,412	32.1899%
2019	44,724	44,724	-	112,939	39.6000%
2018	40,408	40,408	-	103,345	39.1001%
2017	38,054	38,054	-	97,325	39.0999%
2016	37,748	37,748	-	99,076	38.1000%
2015	35,967	35,967	-	86,670	41.4988%

(This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.)

See Independent Auditors' Report on Required Supplementary Information and Accompanying Notes to Required Supplementary Information Related to Net Pension Liability

CITY OF BAKER, LOUISIANA
NOTES TO PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024

NOTE 1 - NET PENSION LIABILITY

Changes in Benefit Terms:

Municipal Employees' Retirement System (MERS)
No Changes

Municipal Police Employees' Retirement System (MPERS)
No Changes

Firefighters' Retirement System (FRS)
No Changes

Louisiana State Employees' Retirement System (LASERS)
No Changes

Changes in Assumptions:

Municipal Employees' Retirement System (MERS)
The investment rate of return remained at 6.85%. The inflation rate remained the same at 2.5%.

Municipal Police Employees' Retirement System (MPERS)
The investment rate of return increased to 6.75%. The inflation rate remained the same at 2.5%.

Firefighters' Retirement System (FRS)
The investment rate of return remained at 6.9%. The inflation rate remained the same at 2.5%.

Louisiana State Employees' Retirement System (LASERS)
The investment rate of return remained the same at 7.25%. The inflation rate remained the same at 2.3%.

See Independent Auditor's Report on Required Supplementary Information and Accompanying Notes to Required Supplementary Information Related to Net Pension Liability.

SUPPLEMENTARY INFORMATION

CITY OF BAKER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Award Information	Federal Assistance Listing Number	Pass Through Entity Name	Pass Through Entity Number	Federal Expenditures
<i>Other Programs (treated individually for major program determination)</i>				
<i>U.S. Department of Housing and Urban Development</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	La Office of Community Development	200687496	\$ 556,815
HOME Investment Partnerships Act	14.239	La Office of Community Development	200687496	<u>1,891</u>
		<i>Total U.S. Dept of Housing and Urban Development</i>		<i>558,706</i>
<i>U.S. Dept of Justice</i>				
Edward Byrne Memorial Justist Assistance Grant Program (JAG)	16.738	La Commission on Law Enforcement	7179	8,769
<i>U.S. Dept of the Treasury</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	La Office of Community Development	200687496	773,748
<i>U.S. Dept of Homeland Security - Federal Emergency Management Agency</i>				
Hazard Mitigation Grant Program (HMGP)	97.039	Governor's Office of Homeland Security and Emergency Preparedness		<u>567,425</u>
Total Other Programs (treated individually for major program determination)/Total Expenditure of Federal Awards				<u>\$ 1,908,648</u>

The accompanying notes are an integral part of this schedule.

CITY OF BAKER, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Baker, Louisiana under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements for *Title 2 of U.S. Federal Regulations Part 200, Uniform Requirements, Cost Principles and Requirements for Federal Awards (Uniform Guidance)*.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rule

The City of Baker, Louisiana has elected to use the 10% de minimis indirect cost rate as allowed under the *Uniform Guidance*.

CITY OF BAKER, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO THE AGENCY HEAD
YEAR ENDED JUNE 30, 2024

Agency Head Darnell Waites
Title Mayor

Purpose	Amount
Salary	\$ 102,750
Benefits:	
Retirement	30,311
Insurance - dental	612
Expense account	<u>2,125</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 135,799</u></u>

See Accompanying Independent Auditor's Report.

OTHER INFORMATION

CITY OF BAKER, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	1/2 Cent Special Tax Police	1/2 Cent Special Tax Fire	911 Communications	Marshal & Police Operations	Total Non- Major Governmental Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 24,918	\$ 24,918
Restricted assets:					
Cash and cash equivalents	375,268	325,157	-	51,922	752,347
Receivables - taxes	<u>103,660</u>	<u>103,659</u>	-	-	<u>207,319</u>
TOTAL ASSETS	<u>\$ 478,928</u>	<u>\$ 428,816</u>	<u>\$ -</u>	<u>\$ 76,840</u>	<u>\$ 984,584</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 567	\$ 46,141	\$ 46,708
Accrued liabilities	<u>-</u>	<u>-</u>	<u>11,346</u>	<u>-</u>	<u>11,346</u>
Total Liabilities	-	-	11,913	46,141	58,054
FUND BALANCES					
Restricted	478,928	428,816	(11,913)	5,782	901,613
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,917</u>	<u>24,917</u>
Total Fund Balances	<u>478,928</u>	<u>428,816</u>	<u>(11,913)</u>	<u>30,699</u>	<u>926,530</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 478,928</u>	<u>\$ 428,816</u>	<u>\$ -</u>	<u>\$ 76,840</u>	<u>\$ 984,584</u>

See Accompanying Independent Auditor's Report

CITY OF BAKER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	1/2 Cent Special Tax Police	1/2 Cent Special Tax Fire	911 Communications	Marshal & Police Operations	Total Non- Major Governmental Funds
REVENUES					
Taxes - sales	\$ 695,720	\$ 575,720	\$ -	\$ -	\$ 1,271,440
Charges for services	-	-	134,326	38,648	172,975
Criminal fees and fines	-	-	-	48,232	48,232
Investment income, net	1,860	1,574	-	1,075	4,509
Other revenues	-	-	-	10,923	10,923
Total Revenues	<u>697,580</u>	<u>577,294</u>	<u>134,326</u>	<u>98,879</u>	<u>1,508,079</u>
EXPENDITURES					
General government	-	-	-	25,414	25,414
Public safety	<u>6,250</u>	<u>5,340</u>	<u>449,641</u>	<u>85,879</u>	<u>547,110</u>
Total Expenditures	<u>6,250</u>	<u>5,340</u>	<u>449,641</u>	<u>111,293</u>	<u>572,524</u>
Excess (Deficiency) of Revenues over Expenditures	691,330	571,954	(315,315)	(12,414)	935,555
OTHER FINANCING SOURCES (USES)					
Transfers in (out), net	<u>(730,000)</u>	<u>(730,000)</u>	<u>318,738</u>	<u>-</u>	<u>(1,141,262)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(38,670)	(158,046)	3,423	(12,414)	(205,707)
Fund balances, beginning of year	<u>517,598</u>	<u>586,862</u>	<u>(15,336)</u>	<u>43,113</u>	<u>1,132,237</u>
FUND BALANCES, end of year	<u>\$ 478,928</u>	<u>\$ 428,816</u>	<u>\$ (11,913)</u>	<u>\$ 30,699</u>	<u>\$ 926,530</u>

See Accompanying Independent Auditor's Report

CITY OF BAKER, LOUISIANA
SCHEDULE OF JUSTICE SYSTEM FUNDING - COLLECTING/DISBURSEMENT ENTITY
As Required by Act 87 of the 2020 Regular Legislative Session
Cash Basis Presentation
YEAR ENDED JUNE 30, 2024

	First 6 Mths Ended 12/31/2023	Second 6 Mths Ended 6/30/2024
Beginning Balance of Amounts Collected	\$ 389,511	\$ 397,161
 Add: Collections		
Civil fees	67,001	98,621
Interest earnings on collected balances	25	32
	Total Collections	67,026
		98,653
 Less: Disbursements to Governments & Non-Profits		
Louisiana State Treasurer - Judges' supp fees	6,634	8,998
Louisiana Supreme Court	113	152
Louisiana Division of Administration	30	30
East Baton Rouge Sheriff	0	96
Marshal - City of Baker Police	2,470	3,680
Baker City Court - building fees	2,250	3,050
Baker City Court - Judge's fees	47,879	69,872
 Less: Amounts Retained by Collecting Agency		
Collection fees for collecting/disbursing to others based on percentage	-	-
 Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil fee refunds	-	-
Restitution payments to individuals	-	-
Other payments to individuals	-	-
	Total Disbursements/Retainage	59,376
		85,878
 Total Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 397,161</u>	<u>\$ 409,936</u>

See Accompanying Independent Auditor's Report.

CITY OF BAKER, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
YEAR ENDED JUNE 30, 2024

District	Council Member	Expense		
		Salary	Account	Total
1	Charles Vincent	\$ 15,000	\$ 4,800	\$ 19,800
2	Rochelle Dunn	15,000	4,800	19,800
3	Glenda Bryant	15,000	4,800	19,800
4	Robert Young	15,000	4,800	19,800
5	Brenda G. Jackson	<u>12,600</u>	<u>2,400</u>	<u>15,000</u>
Total Compensation		<u><u>\$ 72,600</u></u>	<u><u>\$ 21,600</u></u>	<u><u>\$ 94,200</u></u>

See Accompanying Independent Auditor's Report.



DONALD R. FORD

CERTIFIED PUBLIC ACCOUNTANT

A LIMITED LIABILITY COMPANY

MEMBER

AMERICAN INSTITUTE OF CPAS
SOCIETY OF LOUISIANA CPAS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Darnell Waites, Mayor
and the Members of the City Council
City of Baker, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business activities, and the major funds and the remaining fund information of the City of Baker (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued my report thereon dated April 1, 2025.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

April 1, 2025
Zachary, Louisiana

Franklin, PA 164

This report is intended solely for the information and use of the members of the City Council, management, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control and compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purpose of this Report

City of Baker's Response to Findings

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, and other agreements, and determined the nature of any noncompliance found. I also evaluated the City's internal control over financial reporting as of December 31, 2024, based on criteria established in the 2024-001 audit opinion on the City's financial statements and the Sarbanes-Oxley Act of 2002. I issued my report on those matters based on my tests and evaluation.

Compliance and Other Matters

My consideration of internal control over compilation was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compilation that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compilation that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



DONALD R. FORD

CERTIFIED PUBLIC ACCOUNTANT

A LIMITED LIABILITY COMPANY

MEMBER

AMERICAN INSTITUTE OF CPAS
SOCIETY OF LOUISIANA CPAS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Honorable Darnell Waites, Mayor
and the Members of the City Council
City of Baker, Louisiana

Report on Compliance for Each Major Program

Opinion on Each Major Program

I have audited the City of Baker's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Requirements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the City and to meet other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

P.O. Box 293
ZACHARY, LA 70791
(225) 573-8005
donald@donaldfordcpa.com

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the City's requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Responsibilities of Auditor for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance with the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal controls over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

My consideration of internal control over compliance was for the limited purpose described in the *Responsibilities of Auditor for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

City of Baker's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Baker's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The City of Baker's response was not subjected to the other auditing procedures applied to the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Donald R. Ford, CPA, LLC". The signature is fluid and cursive, with "Donald R. Ford" on the top line and "CPA, LLC" on the line below it.

Zachary, Louisiana
April 1, 2025

CITY OF BAKER, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2024

I. Summary of Auditor's Report

a. Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statement of the City of Baker, Louisiana.
2. There were no control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. There was one instance of noncompliance material to the financial statements of the City of Baker, LA reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

1. There were no deficiencies relating to the audit of the major federal award programs.
2. The *Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by Uniform Guidance dated April 1, 2025, expressed an unmodified opinion*.
3. There was one instance of noncompliance relating to major federal programs disclosed that are required to be reported in accordance with 2 CFR 200.516(a).
4. The following program was considered major program for the year ended June 30, 2024:

Federal Assistance Listing No. Program Title

21.027

American Rescue Plan Act of 2021

The dollar threshold used to distinguish between Type A and Type B programs was \$750,000. The audit qualified as a low-risk audit.

CITY OF BAKER, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST Year Ended June 30, 2024

II. Findings – Financial Statement Audit

2024-001 Untimely Submission of Financial Audit Report by Due Date

Initial Year of the Finding: 2024

Condition: The City of Baker did not meet the June 30, 2024, statutory deadline for reporting the required annual audit to the State of Louisiana.

Criteria: Under Louisiana Audit Law, the City of Baker is required to have an annual audit of its financial statements prepared in accordance with U.S. generally accepted accounting principles completed and filed with the Louisiana Legislative Auditor (LLA) of the State of Louisiana within six months of the close of the calendar or fiscal year (December 31st).

Cause: Due to delay time in engaging an external CPA, the City of Baker required additional time to complete its account analysis, reconciliation process and recordation of all the necessary adjustments to their accounting records.

Effect: The City of Baker was not in compliance with Louisiana statute for completion of the annual audit.

Recommendation: The City of Baker should continue in the implementation of the plan already in place to ensure adequate staffing levels to support timely financial reporting and ensure future audits are completed by statutory due dates.

Management's Response: See Management's response letter.

CITY OF BAKER, LOUISIANA

SUMMARY OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

II. Findings and Questioned Costs for Federal Awards

2024-002 Untimely Submission of Audit Report to the Federal Audit Clearinghouse

Criteria:

In accordance with the Uniform Guidance, the Organization is required to submit the annual reporting package and Data Collection Form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

Condition:

The Organization did not meet the March 31, 2025 deadline for reporting to the Federal Audit Clearinghouse.

Cause:

The Organization completed its Uniform Guidance audit more than nine (9) months after its June 30, 2024 fiscal year end.

Effect:

The Organization was not in compliance with federal regulations requiring submission of report in a timely manner.

Questioned Costs:

None.

Context/Proper Perspective:

Not applicable.

Recommendation:

We recommend that management establish procedures to ensure the Uniform Guidance required audit is completed in a timely manner.

CITY OF BAKER, LOUISIANA

SUMMARY OF PRIOR YEAR FINDINGS
For the Year June 30, 2024

IV. Summary of Prior Year Findings

There were no prior year findings.



DONALD R. FORD

CERTIFIED PUBLIC ACCOUNTANT

A LIMITED LIABILITY COMPANY

MEMBER

AMERICAN INSTITUTE OF CPAS
SOCIETY OF LOUISIANA CPAS

INDEPENDENT ACCOUNTANT'S

REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of the City of Baker, Louisiana
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023, through June 30, 2024. City of Baker (Baker or The City) management is responsible for those C/C areas identified in the SAUPs.

City of Baker has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in Delhi's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1.) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

Budgeting, including preparing, adopting, monitoring, and amending the budget.

I have reviewed and inspected the budgeting process for FY 2024. Reviewed Baker's procedures and they had a section referencing budgeting. That policy included all required categories. Upon review there are no exceptions noted.

Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

I have reviewed and inspected the purchase process within the entity for FY 2024. Reviewed Baker's procedures and they had a section referencing purchasing. No exception has been noted.

Disbursements, including processing, reviewing, and approving.

I have reviewed and inspected the disbursements process within the entity for FY 2024. Reviewed Baker's procedures and they had a section referencing disbursement. Upon review there are no exceptions noted.

Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outsides parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

I have reviewed the policies and procedures regarding receipts/collections for the entity for FY 2024. Upon review there are no exceptions noted.

- a. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

I have reviewed the policies and procedures regarding payroll/personnel for the entity for FY 2024. Upon review there are no exceptions noted.

- b. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

I have reviewed the policies and procedures for contracts involved with the entity for FY 2024. Upon review there are no exceptions noted.

- c. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage. (e.g., determining the reasonableness of fuel card purchases).

I have reviewed and inspected the credit card process for the entity within the FY 2024. Upon review there are no exceptions noted.

- d. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

I have reviewed and inspected the policies and procedures for Travel and Expense reimbursement for FY 2024. Upon review no exception was noted.

- e. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111- 1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations and, (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

I have reviewed policies and procedures for ethics within the entity for FY 2024. Upon review there are no exceptions noted.

- f. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

I have reviewed and inspected policies and procedures within the entity for FY 2024. Upon review, there are no exceptions noted.

- g. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

I have reviewed and inspected the I.T Disaster Recovery/Business Continuity policies and procedures for FY 2024. No exceptions noted.

- h. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

I have reviewed and inspected Baker's Sexual Harassment policies and procedures for FY 2024. Upon review, no exception has been noted.

Board or Finance Committee

- 2.) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

I have inspected and observed all board meetings for FY 2024. Upon review no exception was noted.

- b. For those entities reporting on the governmental accounting model, observe whether the minutes reference or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

I have reviewed and observed the procedures stated for entities reporting on the governmental accounting model. No exception was noted.

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

I have reviewed and inspected the procedure. No exception has been noted.

- d. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved

I have reviewed and inspected the procedure. No exception has been noted.

Bank Reconciliations

- 3.) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

I have reviewed and inspected all bank statements with agreeing reconciliations listed. No exception noted.

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

I have reviewed and inspected all bank statements with agreeing reconciliations listed. No exception noted.

- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

I have reviewed and inspected all bank statements with agreeing reconciliations listed. No exception noted.

Collections

- 4.) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

I have performed the above procedures and noted no exceptions.

5.) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:

a. Employees that are responsible for cash collections do not share cash drawers/registers.

I performed the above procedures and noted no exceptions.

b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

I performed the above procedures and noted no exceptions.

c. Each employee responsible for collecting cash is not responsible for posting collection entries to general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposits.

I performed the above procedures and noted no exceptions.

d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

I performed the above procedures and noted no exceptions.

6.) Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

I have reviewed and inspected policies no noted exceptions.

7.) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

a. Observe that receipts are sequentially pre-numbered.

I have reviewed and inspected the procedures regarding the pre numbered sequence of receipts. No exception has been noted

b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

I traced the pre numbered receipts to the deposit slips on the bank statements. Upon review, no exception has been noted.

c. Trace the deposit slip total to the actual deposit per the bank statement.

I have reviewed and inspected the deposit slips to the actually deposit per bank statement. Upon review, no exception has been noted.

- d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

I reviewed and traced each deposit has been made within one business day of the collection receipt to the bank. Upon review, no exception has been noted.

- e. Trace the actual deposit per the bank statement to the general ledger.

I reviewed deposits per the bank statement to the general ledger. Upon review, no exception has been noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8.) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

I performed the above procedures and noted no exceptions.

- 9.) For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

I performed the procedure above and noted no exceptions.

- b. At least two employees are involved in processing and approving payments to vendors.

I performed the procedure above and noted no exceptions.

- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

I performed the procedure above and noted no exceptions.

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

I performed the procedure above and noted no exceptions.

- 10.) For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

I performed the procedure above and noted no exceptions.

- b. Observe whether the disbursement documentation included evidence (e.g., initial/ date, electronic logging) of segregation of duties tested under #9, as applicable.

I performed the procedure above and noted no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11.) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (card) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

I performed the procedure above and noted no exceptions.

- 12.) Using the listing prepared by management randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. (Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)

I performed the procedure above and noted no exceptions.

- b. Observe that finance charges and late fees were not assessed on the selected statements.

I performed the procedure above and noted no exceptions.

- 13.) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

I performed the procedure above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14.) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

I performed the procedure above and noted no exceptions.

If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

I performed the procedure above and noted no exceptions.

- b. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).

I performed the procedure above and noted no exceptions.

- c. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

I performed the procedure above and noted no exceptions.

Contracts

15.) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

- b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

I performed the procedures above and noted no exceptions.

- c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

I performed the procedure above and noted no exceptions.

- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

I performed the procedure above and noted no exceptions.

Payroll and Personnel

- 16.) Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

- 17.) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b. *I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.*
- c. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

- d. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

18.) Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

19.) Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

Ethics

20.) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

Debt Service

21.) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

22.) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

Fraud Notice

23.) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

24.) Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

Information Technology Disaster Recovery/Business Continuity

25.) Perform the following procedures, verbally discuss the results with management, and report.

I performed the procedure and discussed the results with management.

Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

- a. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

b. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

Sexual Harassment

26.) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

27.) Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

I performed the procedure above and noted no exceptions. Upon review, no exceptions noted.

28.) Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

I performed the procedures above and noted no exceptions.

a. Number and percentage of public servants in the agency who have completed the training requirements;

There were 125 public servants or 70% of all public servants that completed training.

b. Number of sexual harassment complaints received by the agency;

No sexual harassment complaints were received for the town for the FY 2024.

c. Number of complaints which resulted in a finding that sexual harassment occurred;

No sexual harassment complaints were received for the town for the FY 2024.

d. Amount of time it took to resolve each complaint.

No sexual harassment complaints were received for the town for the FY 2024.

I was engaged by City of Baker, Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the City of Baker, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to the agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Baker, Louisiana
April 1, 2025



City of Baker

Donald R. Ford, CPA, LLC
P O Box 293
Zachary, Louisiana 70791

In response to Finding 2024-01 Untimely Submission of Financial Audit Report by Due Date regarding the City of Baker's single audit report for the year ended June 30, 2024, please accept the following:

The start of the audit was unfortunately delayed beyond the control of both the auditor and auditee. To minimize the risk of this happening in the future, management will work with the auditor to establish reasonable timelines and create a regular meeting schedule amongst all parties involved to measure progress towards the filing requirements for a single audit. Management will closely monitor the dates/times as they relate to federal awards to meet all reporting and filing requirements.

Respectfully,

Mary Sue Stages, CPA
Finance Director